Daily Report

Latin America

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Central American Presidents' Meeting With Clinton Previewed

PA2711025893 Paris AFP in Spanish 0111 GMT 27 Nov 93

[Text] San Jose, 26 Nov (AFP)—Costa Rican Foreign Minister Bernd Niehaus this Friday told AFP that during the meeting the presidents of Central America will have next Tuesday with President Bill Clinton, they will ask that their countries benefit from NAFTA and will caution the United States about the risk of reducing its aid to the isthmus.

The meeting, which will take place in the White House, is the first such meeting that Clinton will hold with his Central American counterparts since his arrival to power in January of this year. This meeting, said Niehaus, is "very important because it shows that the United States has not lost interest" in the region.

The six presidents—Ramiro de Leon Carpio (Guatemala), Rafael Callejas (Honduras), Violeta Chamorro (Nicaragua), Alfredo Cristiani (El Salvador), Rafael Angel Calderon (Costa Rica), and Guillermo Endara (Panama)—have confirmed their participation in the meeting with Clinton.

The meeting will be over breakfast and without any previous agenda but it will center, undoubtedly, on NAFTA, the consolidation of democracy in Central America, economic aid to the region, and the struggle against drug-trafficking, Niehaus anticipated. He said that "Costa Rica is not afraid of NAFTA. We want to joint it because that treaty could become the engine of our economy." Costa Rica is the only country in Central America that has initiated negotiations to adhere to NAFTA.

Niehaus complained that the substantial reduction in U.S. aid to El Salvador, Honduras, and Guatemala, when comparing the current aid to the huge amounts that were granted to those countries in the past decade, is "dangerous and worrisome."

The U.S. Government asked Congress for $7.5 million in aid for Costa Rica for the 1994 fiscal year. This is the amount of money that San Jose used to receive weekly from Washington 10 years ago, when Central America was in turmoil. The other countries face similar cuts. El Salvador is the country scheduled to receive the most aid in 1994, $138.4 million.

"We feel we are being punished and abandoned. Patients must not be ignored before they recover," Minister Niehaus said. Costa Rican Foreign Minister Niehaus concluded by stating: "If aid continues dwindling and our markets are closed, our economies will suffer tragic consequences." He stated: "Those who make great efforts to strengthen democracy must not be punished."

Mercosur Presidential Summit Announced for 27 Dec

PY2611194493 Madrid EFE in Spanish 1548 GMT 26 Nov 93

[Excerpt] Buenos Aires, 26 Nov (EFE)—It was officially reported today that the Common Market of the South (Mercosur) presidential summit, which had been postponed for the beginning of 1994, will be held on 27 December in Colonia, Uruguay.

The date of the meeting was confirmed after Argentina and Brazil, which are Mercosur partners along with Paraguay and Uruguay, were able to arrive at an agreement on the customs tax to be imposed on third countries in the region for specific products.

The issue will be studied during the meeting of Mercosur vice economy ministers, which is to be held on 3 December in Rio de Janeiro, Brazil.

The Mercosur economy ministers will hold another meeting on 10 December, at a yet to be confirmed location, to discuss the agreement that will be signed during the Colonia presidential summit.

This information was reported by Argentine Economy Ministry sources. They are optimistic about the fulfillment of the Mercosur timetable, which establishes that a customs tax in the region will be announced by the end of the year. [passage omitted]

Journalists' Conference Reaches 'Distressing' Conclusions

PY2711024493 Santiago Radio Cooperativa Network in Spanish 2200 GMT 26 Nov 93

[Text] The conclusions of the fifth Conference of Latin American Journalists, which was held in Santiago and closed by [Chilean] President Patricio Aylwin today, are distressing.

In the so-called Santiago Declaration, highlights of which we disclosed during our noon cast, the Latin American journalists reiterate their decision to continue striving for an effective and true freedom of information in each and every Latin American country.

They also warn about what they call the enthroning in several countries of the continent of an economic system that encourages the centralization of the ownership of means of communication, thus turning everybody's freedom of expression into a right that is only excercised by the owners of the great consortiums. These consortiums are used to ideologically influence public opinion in many cases, depriving the people of their right to freedom of expression.

The declaration also voices the deep concern of Latin American journalists over the serious consequences that the so-called globalization process under way in the continent may have. The surfacing of monopolies and transnational oligopolies seriously threatens the idiosyncrasies of the nations, and allows for a transculturation that will affect future Latin American generations.

As for the particular situation of the media in some countries, especially in Argentina and Peru, the document voices support for the Colombian Jornalists Association in its attempt to exercise this profession in a society in which violence, especially that exercised by drug traffickers, has represented a series of persecutions and death for many of its members. As for Ecuador, the document voices concern over the serious working conditions for Ecuadoran journalists, the attacks against this sector, and the violation by the government and some sectors of the media of the journalism law. It also condemns abuses and attacks in Panama against journalists by government authorities and politicians, as well as the increasing violation of freedom of expression in that country. As for Venezuela, the declaration voices great concern over the threats by the military leadership against the media.

It should be recalled that this fifth Conference of Latin American Journalists was attended to by the presidents of the journalists associations of Bolivia, Colombia, Costa Rica, Chile, Ecuador, Peru, Dominican Republic, and Venezuela. The president of Catalonia Journalists Association, a representative of the Buenos Aires Journalists Union, representatives of the OIP [International Organization of Journalists], the FELAP [Federation of Latin American Journalists], and other Latin American leaders also attended the event.

Cuba

Robaina Confirms Future Castro Visit to China

PA2711232493 Hamburg DPA in Spanish 2150 GMT 27 Nov 93

[Text] Havana, 27 November (DPA)—Cuban Foreign Minister Roberto Robaina confirmed in Havana today that President Castro will visit China in the future. Robaina, however, did not give the date for such an event. "President Castro was invited to visit China a long time ago. Chinese President Jiang Zemin requested that we study the possibility, which is of special interest to Fidel, so that it can take place at an appropriate time," Robaina indicated.

The Cuban foreign minister stated during a news conference at the "Jose Marti" International Airport, that Jiang's brief visit to the island was greatly appreciated by his government and had had "magnificent results." Without giving details of the topics discussed, Robaina said the two parties wanted first-hand information on the situation in both countries and that Cuba was especially interested in getting details on the reforms being implemented in the Asian nation.

Asked about the status of the migration talks between Cuba and the United States, the young foreign minister asserted that "they continue without obstacles and are advancing." "We don't think we should give much information on the topics we discuss at each bilateral talk because phrases are taken out of context and this fosters a certain degree of speculation," Robaina explained. "The best news is that the talks are continuing. Another meeting will be held in the near future and, therein, we will broach migration issues that have been pending for a long time," he added.

The minister denied rumors on the possible mediation of foreign governments in the Cuban-U.S. dispute when he emphasized that the island does not need it.

Insisting the official position "that Cuba is not isolated," Robaina advanced that after renewing diplomatic relations with Colombia, the country will soon reestablish ties "with other countries." He, however, refused to give details alleging "strategic national policy reasons."

When he referred to the announced talks between the government in Havana and moderate sectors of Cubans in exile, he pointed out that the jointly prepared program is currently not in the phase of preparing a list of participants. He added that presently they are deciding on the date for a meeting that is to be held in Havana during the second quarter of 1994 and preparing the agenda to establish the possible topics they have in common.

Regarding NAFTA signed by the United States, Canada, and Mexico, he insisted that those three countries are the only ones that have to decide on the measures they will take with regard to their economic association. "If, in the particular case of Mexico, it considers that this is good for its people, government, and to provide work, we prefer to reason that what is good for Mexico is good for Latin America and Cuba," Robaina said referring to the creation of the biggest free trade zone in the world as of 1 January 1994.

Alarcon To Visit 30 Nov

FL2511204893 Havana Radio Rebelde Network in Spanish 1800 GMT 25 Nov 93

[Text] It was officially announced today in Beijing that Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government and member of the Central Committee of the Communist Party of Cuba, will visit the PRC shortly. This will be a follow-up to the dialogue that began in Havana between [Chinese President] Jaing Zemin and [Cuban President] Fidel Castro.

Alarcon will arrive in Beijing on 30 November. He will remain in the country for a week, during which he will be the guest of the permanent committee of the National People's Congress. Even though further details were not provided, it is expected that Alarcon will meet with his PRC counterpart, Qiao Shi, and visit several areas of the Asian country.

Russian Defense Minister Confirms 1994 Visit

FL2811230493 Havana Cuba Vision Network in Spanish 0100 GMT 28 Nov 93

[Text] Today, in Moscow, Russian Defense Minister Pavel Grachev confirmed during a meeting with a Cuban military delegation headed by Division General Julio Casas Regueiro, first vice minister of the Ministry of the Revolutionary Armed Forces, that he will make an official visit to Cuba next year.

Grachev noted that his visit to Havana had been planned for October but was postponed because of the tragic events related to the internal political crisis.

Culture Minister in Chile To Attend Meeting

FL2411140093 Havana Radio Reloj Network in Spanish 0300 GMT 24 Nov 93

[Text] Cuban Culture Minister Armando Hart Davalos arrived in Santiago, Chile, today to attend the sixth Latin American and Caribbean ministerial meeting on cultural policies and regional cooperation. Ministers, deputy ministers, and nongovernmental delegations from 30 countries will participate in the meeting that begins tomorrow and will end on Friday. On Saturday [27 November], Minister Hart will visit the 13th International Book Fair underway in Santiago. Hart will be one of the speakers in a series of talks being held at the fair. He will broach the topic of culture in Cuba. The Cuban minister will also inaugurate an exhibit of the paintings of the Cuban artist, Mario Carreno, who has been in

Chile for the past few years. The exhibit includes paintings on loan from the Havana Museum of Arts, which were done by Carreno in the forties and fifties.

Vilma Espin Concludes Visit to Vietnam

FL2711175493 Havana Radio Reloj Network in Spanish 1700 GMT 27 Nov 93

[Text] Vilma Espin, president of the Federation of Cuban Women, emphasized the constant display of affection and solidarity received in Vietnam and said that the two people's recognize each other as sisters in the struggle toward a common goal. Shortly before leaving for Malta where she will attend the UN meeting on the family, the member of the Central Committee of the Communist Party of Cuba said her meetings with leaders of the Vietnam Women's Federation had been very fruitful. Vilma said: We were moved to see at all levels, including during our meeting with Do Muoi, general secretary of the Vietnamese Communist Party, that everyone is concerned about Cuba and sincerely hopes we will overcome our difficult economic situation. The Cuban women's leader said that the Vietnam and Hanoi women's unions gave more donations for our people.

Bulletin Gives Preliminary Flood Damages

FL2911012393 Havana Cuba Vision Network in Spanish 0100 GMT 28 Nov 93

[Bulletin issued by the National Civil Defense General Staff on 27 November; place not given—read by announcer]

[Text] As the population has been informed, as of the afternoon of 23 November, the provinces of Guantanamo, Santiago de Cuba and Holguin were affected by heavy rainfall as a consequence of an interaction between a cold front over the central portion of the country and a pre-existing tropical wave, in the lower levels of the atmosphere, over the eastern portion of the island.

On the afternoon of 25 November the rain stopped. Just about all the dams began to overflow on 24 November. To prevent losses in human lives as well as in [words indistinct] in the economy, numerous measures were implemented by the civil defense units in those provinces.

According to preliminary figures, more than 47,000 people were evacuated and more 20,000 animals were transported to safe areas. The note goes on to say that 22 persons died: 13 in Guantanamo, eight in Holguin, and one in Santiago de Cuba. Eleven people have been reported as missing: eight in Guantanamo, and three in Holguin. More than 6,500 homes have been partially or completely destroyed and approximately 32,000 people have been directly affected.

When the rainfall began, units of the Ministry of the Revolutionary Armed Forces, the Ministry of the Interior, and the Civil Defense began precautionary, lifesaving, and rescue missions using air, land, and sea transportation. National and provincial broadcasts kept the population informed.

Calculation of loss and damage to the economy have not concluded. Preliminary figures point out the following: More than 35 km of power and telephone lines have been partially or entirely damaged; 41 bridges and sewer systems damaged or destroyed; 138 km of train tracks and 120 km of main roads damaged; 22 food stores destroyed; more than 730 agricultural-livestock installations and numerous plantations of sugar cane, coffee, and tobacco affected or destroyed; and numerous losses in cattle and [word indistinct]. Damages have also been reported to schools, warehouses, tourist installations, restaurants, and bakeries.

At the time of this information, the National Civil Defense General Staff is continuing to receive information indicating more victims, damaged homes, and losses to the economy and in material resources. Under the direction of the defense councils, recovery efforts continue in those provinces. Basic services are being restored to the population and state organizations as conditions permit.

Signed: National Civil Defense General Staff

Government Officials Visit Flood Affected Areas

FL2711145293 Havana Cuba Vision Network in Spanish 0100 GMT 27 Nov 93

[Report by Singh Castillo from Guantanamo—recorded; broadcast in progress]

[Text] [Castillo] ...[Carlos Lage] accompanied by Juan Carlos Robinson Agramonte, first secretary of the Communist Party of Cuba [PCC] in Guantanamo, and General Senen Casas Regueiro, minister of transportation, viewed the damages caused by the rains in five municipalities. He also saw the high morale maintained by settlers in (Ullao Nuevo) and members of the Frank Pais Second Eastern Front Contingent during the days they were incommunicado because of the flood waters.

Carlos Lage and other members of the Council of Ministers also analyzed the current situation in the provinces of Guantanamo, Santiago de Cuba, and Holguin, as well as the measures that are being taken [words indistinct].

[Rider Leyva, president of the Guantanamo Provincial Assembly of the People's Government; identified by caption—in progress] ...mountain areas increasing the water level of the rivers, producing strong currents, and causing large areas to flood. These areas are much larger than the areas flooded after the May and June rains when the total rainfall was 169 millimeters.

[Edilberto Castillo, president of the Holguin Provincial Assembly of the People's Government; identified by caption] In Holguin Province, the heaviest damage occurred in Sagua de Tanamo Municipality. I must add that between 23 November and 2000 on 24 November, approximately 215 millimeters of rain fell on the area.

[Castillo] In this area of the country the rains forced the evacuation of thousands of people, and caused the death of 20 and heavy damage including the partial or total destruction of approximately 6,700 homes. The Politburo member said that all the residents of Guantanamo, Santiago de Cuba, and Holguin Provinces who are currently experiencing a difficult situation know they are not alone.

[Carlos Lage, PCC Politburo member; identified by caption] In Guantanamo, the most affected area, we have mobilized brigades of engineers, construction workers, and electricians, to support the effort being made by the residents of the province. We have made available all existent resources in the province, and some state resources, to help the area. We believe we have the necessary strength and conditions to restore normalcy. Some things will be repaired immediately; it will take a bit longer to repair others. But, little by little, normalcy will be restored throughout the province. The revolution will, as it always has, solve the problems confronted by the people here.

Esteban Lazo Visits Baconao Park

FL2711153093 Havana Cuba Vision Network in Spanish 0100 GMT 27 Nov 93

[Report by Angel Leon Cabrera from Santiago de Cuba]

[Text] Clean up and reconstruction operations continued today in Santiago de Cuba. Damage to a bridge in Baconao Park impeded access to the area. Today, four days later, access has been restored. Today, four days later, communications have been restored. Juan Esteban Lazo, member of Politburo of the Central Committee of the Communist Party of Cuba, was one of the first to enter the area and speak to dozens of families who had remained incommunicado. Damage in the area was evaluated. Several hotels suffered some damage. Dozens of homes have been destroyed. Fantasy Park was not saved from the fury of the waters. For example, (Resoples') comrade disappeared, but Elipidio Valdes continues to stand strong. The wall of the Baconao Dam suffered considerable damage. Several years of work lost in a few hours. We can see how the water covered the area.

Many people lost their belongings, but help is beginning to arrive. Esteban Lazo commented on the subject:

[Begin Lazo recording] There is determination. You have spoken to many people and attended the meetings. The people are determined to solve the problem. No problem, we will solve anything. That is what our people, or most of our people, are like. This is why we resist and are sure that we will overcome and come out victorious. [end recording]

Roundup of Politburo Members' Activities

FL2611201293

[Editorial Report] The following is a compilation of fileworthy reports on the activities of members of the Politburo of the Central Committee of the Communist Party of Cuba (PCC) carried on Havana television and radio in Spanish between 20 and 26 November.

Ricardo Alarcon and Jose Ramon Balaguer today attended in Havana the closing session of a meeting on constitution, democracy, and political systems, which was attended by more than 100 foreign delegates. (Cuba Vision Network 0100 GMT 20 Nov)

Yadira Garcia inaugurated the Tropical Island bottling plant in the Heroes de Giron Citrus Complex in Jaguey Grande, Matanzas. (Cuba Vision Network 0100 GMT 23 Nov)

Ulises Rosales del Toro, Rigoberto Garcia Fernandez, and Fidel Ramos Perera presided over the Pinar del Rio Youth Labor Army's (EJT) conference of the Communist Party of Cuba held on 21 November at Camp Presa II in Consolacion del Sur Municipality. Presa II is one of the five integrated granges formed by the Ministry of Agriculture to tend tobacco-growing areas with EJT forces in the province (Cuba Vision Network 2320 GMT 23 Nov)

Ulises Rosales del Toro was among the chiefs and officials presiding over the Eastern Army's Rescate de Sanguily maneuvers at the Ignacio Agramonte National Firing Range in Camaguey. (Cuba Vision Network 2320 GMT 23 Nov)

Juan Almeida Bosque presided over the third meeting of the Veteran's Association national organizing committee. (Radio Rebelde 1800 GMT 24 Nov)

Jose Ramon Machado Ventura presided over the second plenum of the PCC Provincial Committee in Holguin Province at which preparations were made for the coming cane harvest. (Radio Progreso 1200 GMT 26 Nov)

Ross, Lezcano, Palmero, Attend Award Ceremony

FL2611151193 Havana Radio Progreso Network in Spanish 1200 GMT 26 Nov 93

[Text] Pedro Ross Leal, secretary general of the Central Organization of Cuban Trade Unions [CTC], has said that the labor force is ready to wage the cane cutting battle from Pinar del Rio to Guantanamo. Ross, member of the politburo of the Central Committee of the Communist Party of Cuba, made this statement at the banner-award ceremony for the 1 May Contingent, which is formed by volunteer cutters from Havana who will cut

cane at the Orlando Nodarse, Manuel Martinez Prieto, Boris Luis Santacoloma, and Manuel Isla sugarmills. Ross presented the banner to Atanacio Torres of the Claudio Arguelles Brigade that cut 3 million arrobas of cane during the past harvest. During the ceremony, which was also presided over by politburo members Jorge Lezcano and Candido Palmero, the 76th Anniversary of the October Revolution Brigade, headed by Braulio Masa, also received its banner.

Alfredo Morales, member of the Executive Secretariat of the CTC National Committee, announced that every member of the 1 May Contingent, which is composed of 1,400 cutters, should be able to cut 60 arrobas of cane.

Commercial Agreement Signed With Russia

PA2711043993 Havana Radio Havana Cuba in Spanish 0000 GMT 26 Nov 93

[From the "Evening Information Review" newscast]

[Text] In Moscow, Rogelio Montenegro, Cuban ambassador to Moscow, and Oleg Davydov, Russian minister for foreign economic relations, have signed an agreement establishing the juridical bases for the future creation of enterprises, organizations, banks, and financial companies, which would work for their respective countries.

The main purpose of the document, the first one of its kind signed between Cuba and Russia, is to complement a package of documents signed during previous meetings. In July, Lionel Soto, vice president of the Council of Ministers, signed an intergovernmental memorandum in Moscow expressing the desire to create Russian commercial associations in Cuba and Cuban commercial associations in Russia. Cuban diplomatic sources in Moscow have said that this new commercial agreement could include other countries.

Tobacco Production Agreement Signed With Spain

FL2711191993 Havana Radio Rebelde Network in Spanish 1800 GMT 27 Nov 93

[Text] Cuba Tobacco Enterprise [Cubatabaco], and the Spanish National Tobacco Company have just signed an agreement to increase the production of tobacco to be sent to Spain. The agreement was signed after several days of talks headed by Francisco Padron, Cubatabaco managing director, and Pedro Perez, president of the Spanish National Tobacco Company. Perez said that the results of his visit are excellent and that agreements have been reached aimed at increasing the production of cigars and black cigarettes being sent to Spain. The Spanish businessman said that the company he represents will finance the purchase of the necessary supplies to guarantee the production. This will include the purchase of fertilizers, pesticides, tents, water pumps, and others.

Country Reaches Record Production of Oil

FL2611134593 Havana Radio Progreso Network in Spanish 1200 GMT 26 Nov 93

[Text] Cuba has produced 1 million tons of oil. This is a historic record accomplished at a time when the country has very little money earmarked for this area. According to a report released in Havana, every ton of national crude produced saves the country $56 [number as received] in fuel oil imports. It was also learned that with 900,000 tons of local oil, 40 percent of this year's electricity is guaranteed.

Draftees Assigned to Agriculture To Be Doubled

FL2611225293 Havana Radio Progreso Network in Spanish 1200 GMT 26 Nov 93

[Commentary by Eduardo Gonzalez]

[Text] Today is the 30th anniversary of the promulgation of Law 1129, the Obligatory Military Service Law, a historic event of significance to all aspects of the life of the country and particularly for several generations of young men. The establishment of general military service was an unavoidable need for Cuba, subjected since the triumph of the Revolution to the fierce hostility of Yankee imperialism and forced to allocate enormous human and material resources to maintain powerful Armed Forces capable of holding back the cravings of the most powerful and aggressive capitalist power of all time.

The willingness of those with a military vocation would not have sufficed. It was necessary that a great mass of the youth be prepared to take up arms in case of aggression and that a good number of them be, for three years, near the cannon, in front of the radar screen, aboard a vessel, inside a tank, and with eyes to the rifle sight.

Military service was difficult in the early years when we had neither the material conditions nor the organizational premises we have today, nor the highly trained and professional officer corps of our Revolutionary Armed Forces [FAR]. The development of the FAR has radically changed the panorama. Today, military service is much less difficult. However, it is still compulsory for the defense of sovereignty against an enemy who becomes fiercer each day and in a global political context which might hearten him into adventures.

The high levels attained by the FAR in the war of all the people, the high educational levels of the young men and women in the ranks, the victorious return of our internationalist hosts and other factors have made it possible to reduce active military service to two years. This makes possible the attainment of higher training and combat readiness level in less time. It makes it possible for more young people to experience military service and this, in turn, gives them more time for study, work, and family and personal life.

In any case, military service continues to be a complex phase for the youth but the experience gained in those years is a positive influence that lasts the rest of their lives. Cuba has benefited from this experience in many respects and will continue taking advantage of the positive influence of military service, a true school that shapes the mettle and will of the youth, teaches many of them a trade useful to the economy, trains thousands for college, and allows us to have a significant organized force to tackle urgent and complex tasks such as the recently completed 40th Anniversary in Havana agriculture.

This year the number of draftees to be assigned to the Youth Labor Army will be doubled in order to meet, through this highly productive force, the demands of an important increase in agriculture—a need we all understand.

Thirty years after its promulgation, the military service law continues to be a decisive factor in the defense of the fatherland, the Revolution, and the accomplishments of socialism.

Redistribution of Revenue Through Taxes Explained

FL2711004693 Havana Radio Rebelde Network in Spanish 1255 GMT 26 Nov 93

[Text] I want to speak about the tax system under study. Ricardo Diaz, revenues director of the State Committee for Finance, has stated that its implementation avoids affecting workers too much.

[Begin Diaz recording] We are now involved in the design of a unified and uniform tax system for all sectors of the economy. We wanted it to be clear so that people who buy a product or receive a service are aware that as part of the price of that product, or in addition to the price of that product, they are paying a tax which results in a more adequate redistribution of the gross revenue in the society. It is not an issue of increasing or lowering taxes, but a matter of creating a system that above all responds to the current conditions of our economy and somewhat relates to tax systems implemented in other countries. [end recording]

The fact is that in many countries the tax system is implemented with extreme legal force. In each of those countries, the state relies on the availability of quality products and services to offset the burden of the tax.

In the case of Cuba, health and education are the primary reasons that make it necessary to implement taxes; but if a Cuban worker is expected to pay a tax based on income, it would be recommendable to think how much in need we are of improving the supply, the condition of which generates the excess in circulating currency. The ideal would be to have a looming period of economic recovery concurrent with the tax system under study.

Matanzas Power Plant Shut Down for Repairs

FL2611004693 Havana Cuba Vision Network in Spanish 2320 GMT 25 Nov 93

[Text] As previously announced, the Antonio Guiteras Thermoelectric Plant in Matanzas has been shut down for repairs. For this reason, the national electricity system has been under great strain since 0310 hours this morning [0810 GMT 25 November], since the Matanzas power plant is the plant that contributes most to this system. The nation's largest, most efficient power plant, with a capacity of 330.3 megawatt-hours, stopped its machines last night to immediately begin the scheduled maintenance of its equipment and systems.

The shutdown of the Antonio Guiteras plant had to be postponed on its initially scheduled date because of difficulties that have since been solved [words indistinct] contribution to the national electric system.

The Electric Union has worked to keep the effects to a minimum, although the possibility of unexpected outages cannot be excluded. It should be recalled that no other generating plant in Cuba operates so efficiently and reliably as the Matanzas plant.

Over 250 men are participating in the current work. They have all the resources necessary to do it. Moreover, six French specialists were hired for work of great technological complexity on the turbine's valves. The maintenance work begins with the cleaning and [word indistinct] of the boiler, and will continue according to a sequence that has been scheduled down to the last detail, to ensure that the Antonio Guiteras plant will not be down for more than 27 days.

Commentary Criticizes U.S. Travel Restrictions

PA2511223693 Havana Radio Havana Cuba in Spanish 0000 GMT 25 Nov 93

[Commentary by Roberto Morejon; from the "Evening Information Review" newscast]

[Text] Cubans were not surprised when a U.S. construction brigade arrived to work with them to improve conditions in the Havana neighborhood of (Povoloti), a modest community that was adversely affected by a storm that hit western Cuba last March.

This gesture, praiseworthy almost anywhere in the world, is seen by the U.S. authorities as a punishable act, a view that is as irrational as the blockade that Washington has maintained against Cuba for more than three decades.

The fact that the construction workers' trip to Cuba was organized by the U.S. ecumenical organization, Pastors for Peace, and financed by the organization of German churches, Bread for the World, was not taken into consideration.

The construction workers, who finally traveled to the island, run the risk of prison sentences of up to 10 years and the payment of fines of up to $1 million, according to a U.S. Treasury Department letter.

The humanitarian job done by the Pastors for Peace and their insistence in the lifting of the blockade has annoyed U.S. sectors interested in worsening the situation in Cuba. We cannot forget that in a little over a year the Pastors for Peace carried out three missions to provide material assistance to Cuba openly challenging Washington's prohibitions and the hostilities of the extreme right-wing Cuban groups in exile. Last August a group of pastors went on a hunger strike in the border town of Laredo until they were able to get authorization to ship a school bus to Cuba.

The U.S. authorities are now making the same mistake by threatening to take reprisals against those who are cooperating with humanitarian projects such as the repair of houses in a Havana neighborhood. We cannot forget the conflict that emerged between U.S. customs authorities and the group called Freedom to Travel, which arrived in Cuba in October to exercise its constitutional right to visit any nation.

Upon their return to the United States some of the 175 travelers were stripped of the gifts received in the island, others had their passports taken away, and all of them were charged with disregarding the restrictions on travel to Cuba.

It is increasingly evident that with its arsenal of impositions, it will be difficult for the U.S. Government to stop the increasing domestic movement favoring a constructive relationship with Cuba and leaving the outdated blockade behind.

Western Army Training Reported

FL2611225393 Havana Cuba Vision Network in Spanish 0100 GMT 26 Nov 93

[Text] [Words indistinct] is part of the instruction given by the Minfar [Ministry of the Revolutionary Armed Forces] to this command [words indistinct]. Regular troops, reserve troops, MTT [Territorial Troops Militia] troops, Production and Defense Brigades, and different fighting units participated in the exercise.

The main objective was to verify the level of cohesion of the staffs [words indistinct] (?thwarting) of any disembarkation of enemy (?air troops) and the effectiveness of cooperation among the participating troops. This first day [words indistinct] Leopoldo Cintra Frias [words indistinct] who noted the skill of the chiefs in commanding the small units that act independently, as well as the high capacity for maneuvering of the troops and the cooperation of the MTT forces and the Production and Defense Brigades of San Jose de las Lajas Municipality in Havana Province, in keeping with the (?idea) of a war of all the people.

The fighters of the Western Army trained rigorously during 1993, using resources and the material foundations for study to maximum advantage; by developing numerous initiatives, they fulfilled their professional requirements without wasting resources.

Preparation of Cadres for Labor Court Noted

FL2511232893 Havana Radio Reloj Network in Spanish 2057 GMT 25 Nov 93

[Text] It is organizations such as Micons [Ministry of Construction], the food industry, transportation, and the construction sector that have properly prepared their cadres for legislation in the grassroots labor courts of the capital. In the rest of the organizations, measures taken by various administrations to prepare their cadres, are inadequate. This is reflected when the time comes to apply disciplinary measures.

Among the deficiencies in applying regulations are (?not giving adequate notice of) violations, and (?basing things) on legal dispositions suspended by the labor courts.

In 653 cases examined in the City of Havana, it was observed that measures of lesser severity were applied to problems that constituted a crime—one of the ways in which the legislation failed to be observed.

Phone Numbering Changes for Santiago de Cuba

FL2611002193 Havana Radio Reloj Network in Spanish 2048 GMT 25 Nov 93

[Text] The Ministry of Communications informs the users of telephone service that as of today, numbers beginning with five, six, seven, and eight in Santiago de Cuba must be preceded by the digit two. This means, for example, that the number of the provincial hospital, which used to be 6571, will henceforth be 2-6571. This change in the numbering is for technical reasons related to the expansion of new lines in the city of Santiago de Cuba. Santiago de Cuba's code continues to be 226.

The Bahamas

Bacardi Seeks To Block Sales of Property in Cuba

FL2411145193 Bridgetown CANA in English 1405 GMT 24 Nov 93

[Text] Nassau, Bahamas, 24 Nov, CANA—Bacardi Ltd in Nassau has initiated a campaign to alert potential investors about the legal risks involved in buying confiscated Cuban property.

The rum giant, which had three breweries and a distillery seized by the Cuban Government, has been attacking Cuba's bid to acquire foreign exchange by inducing foreign businesses to invest in properties and enterprise. Manuel J. Cutillas, president of Bacardi, has sent a letter to major brewers, distillers and trade associations worldwide, as well as embassies and foregn governments,

stating the company's position. Bacardi, he said, has reason to believe that its properties - said to be worth US70 million dollars at the time they were confiscated - are among those being offered for sale.

The company's three breweries used to produce Hatuey, the largest selling beer in pre-revolutionary Cuba. They are on a list of 131 properties that Cuban officials circulated at a conference on foreign investment in Cuba that was held in Cancun, Mexico, and Havana last July. "It is Bacardi's position, supported by expert legal advice, that its confiscated assets continue to be its lawful property, and that no one who accepts a purported conveyance of any such property from the Castro regime will acquire good title under either Cuban or international law," Cutillas said.

Once the rule of law and representative government are restored in Cuba, Bacardi intends to take every appropriate step both to recover its properties and also to seek compensation from those who have acquired from the present regime, exploited and/or misused those properties during the period when Bacardi was deprived of their possession, he said.

Belize

Opposition Leader in Court on Bribery Charges

FL2611172593 Bridgetown CANA in English 1356 GMT 26 Nov 93

[Text] Belize City, Belize, 26 Nov, CANA—Former Belize foreign minister and chairman of the opposition People's United Party (PUP), Said Musa, appeared twice in a magistrate's court here Thursday on bribery charges related to an alleged attempt to bring down the government.

In the first instance, the charges were dismissed by presiding magistrate Herbert Lord after defence lawyers argued the public prosecutor's office had not complied with procedure requiring mention of the law under which bribery charges are brought against any individual here.

Musa, a member of parliament, subsequently was rearrested by police and charged jointly with businessman Clinton Hernandez, with bribery and conspiracy to bribe. Both men were released on 1 000 dollars bail (one Bze dollar ; 50 cents US) with two sureties and ordered to reappear in court on March 30, 1994.

The charges stem from allegations made earlier this month in the House of Representatives, that an attempt was made by PUP representatives to bribe two government ministers to cross the floor to bring down the five month old United Democratic Party (UDP) administration, which has a two seat majority. The ministers in question are Agriculture Minister Russel Garcia and Trade and Commerce Minister Salvador Fernandez.

When the charges were made, Musa stood up in the house and acknowledged speaking to Garcia about crossing the floor, but insisted Garcia had first raised the idea with him. He made no mention of speaking to Fernandez.

Thousands of PUP supporters gathered around the courthouse in a show of support for Musa who said the charges were politically motivated. Attorney General Dean Barrow denied the charge.

Haiti

Malval Announces Resignation Effective 15 Dec

PA2711004693 Madrid EFE in Spanish 0014 GMT 27 Nov 93

[Text] Port-au-Prince, 26 Nov (EFE)—Haitian Prime Minister Robert Malval officially announced today, Friday, his decision to resign and leave his post on 15 December.

In a meeting with journalists, Malval pointed out that he sent a letter to this effect to ousted constitutional President Jean-Bertrand Aristide, and that he has also announced his decision to Parliament, and—out of courtesy—to the Army.

The government headed by Malval took over on 2 September.

Malval, Cedras Meeting Set for 29 Nov

FL2611181793 Port-au-Prince Radio Metropole in French 1145 GMT 26 Nov 93

[Passages within quotation marks in Creole]

[Text] Haitian Prime Minister Robert Malval and Army chief General Raoul Cedras met on the afternoon of 25 November on the political crisis. The meeting was held in Robert Malval's residence. Gen. Cedras was accompanied on the occasion by members of the Army General Staff. Both parties agreed on another meeting to be held on Monday 29 November. Rothchild Francois Junior filed a report on the 25 November meeting:

[Begin recording] [Francois] Because of the absence of the military, the government and the Army failed to meet under UN auspices at the Christopher Hotel this past 5 November. However, the Army chose to respond positively to the invitation to meet on 25 November that it received from the government in order to discuss the crisis.

On Thursday 25 November the prime minister and the members of his government talked for two hours with a delegation of the Army, led by the commander in chief, Raoul Cedras. Those talks, which took place in the prime minister's residence, were focused on the worsening of the crisis and the prospects for a solution. Both parties agreed on meeting again on 29 November to pursue those talks which are included in the political framework

initiated on 22 November by the Malval government in order to attempt to end the crisis. Gen. Cedras did not want to make any statements to the press following his meeting with the government. On his part, the government's spokesman announced the departure of the prime minister for Washington next week. Robert Malval is due to talk with President Aristide following these series of dialogues held with the country's various political and social sectors. Emile Jean-Baptiste assesses those meetings, in particular the one on 25 November with the military:

[Jean-Baptiste] "We have another meeting on Monday 29 November at 1600 GMT. Today, we basically talked on the daily agenda, that is, what can be discussed and on what terms.

"The agenda was first, an exchange on the overall situation of the country's crisis; second, the position of the military institution vis-a-vis the crisis was put forward; third, the urgent need to solve the crisis stated; and fourth, matters of general interest discussed—that is, if one of the parties has some proposals to make."

[Francois] "Why do you have to meet with the Army once more since you met with the other political organizations only once?"

[Jean-Baptiste] "The reason is simple. You know that it is the Army, the commander in chief who signed with President Aristide an agreement called Governors Island Accord. Thus, the Army is a party to the solution of the crisis. It is, then, quite normal that we spend more time with the Army."

[Rothchild] "Mr. Emile Jean-Baptiste, you have already met with different sectors, including the Haitian Army, what has the govrenment already drawn from those talks?"

[Jean-Baptiste] "Well! We must say that we found great willingness for dialogue between some political adversaries who traditionally were never used to sitting together. That is a sign of encouragement for us as long as we see that there are people willing to sit together in order to talk."

[Unidentified reporter] "After you have ended this series of meetings, what are you planning to do?"

[Jean-Baptiste] "We will do a synthesis of them, because the participants are representatives of various sectors in society, and then we will consult with President Aristide. The prime minister is due to meet soon with President Aristide."

[Unidentified reporter] "Did you talk with the neo-Duvalierist parties?"

[Jean-Baptiste] "Could you name a party?"

[Reporter] "For instance, the Front for Haitian Advancement and Progress, Capois La-Mort."

[Jean-Baptiste] "We did not meet with them."

[Reporter] [word indistinct]

[Jean-Baptiste] "Not at all."

[Francois] "When will Mr. Malval travel to meet with President Aristide?"

[Jean-Baptiste] "Sometime next week." [end recording]

Army Charges Plan Includes 'Armed Struggle'

FL2611214793 Port-au-Prince Radio Metropole in French 1700 GMT 26 Nov 93

[Text] The Army general command, in its report regarding the meeting on 25 November with Prime Minister Malval, reveals the points that were on the agenda: exchange of views on the country's situation, position of the Haitian Armed Forces in face of the crisis, and the urgency of a solution to the crisis.

The command asserts that it has presented to Malval's government a document representing the resolutions and the subjects of discussion of two working sessions held in Washington on 20 and 21 November under the aegis of President Aristide. The ministers of defense, interior, information, agriculture, and foreign affairs reportedly participated in the drafting of this document, which the command indicates gives a plan for resolving the crisis through armed struggle and destabilization of institutions and the political, economic, social and religious sectors of the country.

The note from Army headquarters indicates that at this phase of the Malval-Cedras meeting, the prime minister and members of his cabinet have asked for the postponement of discussions pending a study of the document.

Aristide Denies Plan

FL2611214993 Port-au-Prince Radio Metropole in French 2000 GMT 26 Nov 93

[Text] President Jean-Bertrand Aristide has denied the Army's revelation of a plan for an armed struggle to resolve the country's crisis. Let us listen to the chief of state:

[Begin Aristide recording, in Creole] The head of the Army, the president, has made no decision with the government to form an elite force in the Tenth Department in order to destroy them [as heard] inside. No such decision was made. [end recording]

Army Orders Suspension of Gasoline Sales

PA2811002793 Hamburg DPA in Spanish 2331 GMT 27 Nov 93

[Excerpt] Port-au-Prince, 27 November (DPA)—The Army high command today ordered gas stations to suspend gasoline sales during the next three days to await the establishment of the new rationing system.

In a communique broadcast by radio stations, the Army explained that the sale of gasoline and diesel fuel had been temporarily suspended due to security reasons because drivers and businessmen had been stocking dangerous amounts of fuel as a precaution against a more acute scarcity resulting from the international oil embargo against Haiti.

Several explosions and fires that have occurred in the past days have been attributed to the existence of private stocks of fuel stored in 55-gallon drums. A furniture factory located in the center of Port-au-Prince was destroyed Saturday when a warehouse with fuel caught fire, independent "Radio Metropole" radio station reported.

According to the new rationing system, which will be in effect Wednesday, gasoline and diesel can only be sold every two days, from 0800 to 1600. The Army asserts that the new system and the strict implementation of the legal dispositions against fuel storage are necessary to regularize the situation at the gas stations, jammed with long lines of angry vehicle drivers who fight among themselves to get fuel. [passage omitted]

Jamaica

Statement Issued on Telecommunications Monopoly

FL2711124093 Bridgetown CANA in English 1714 GMT 26 Nov 93

[Report by Garfield Myers]

[Text] Kingston, Jamaica, 26 Nov, CANA—The government has assured Jamaicans the scope of exclusivity of any new monopoly licence to the Telecommunications of Jamaica (TOJ), will not extend beyond services provided by a modern telephone service.

The assurance contained in a statement issued Thursday [25 November] by public utilities minister, Robert Pickersgill, was the government's most comprehensive response so far, concerning controversy over the TOJ's monopoly of traditional telecommunications services here and its efforts to extend its 25-year licence.

"The country can be further assured that the government will entertain advice from all relevant and knowledgable sources. In this regard, the government is mindful of the licencee's interest, the country's interest and the rapid development of telecommunications technology," said Pickersgill. He confirmed that a telecommunications act which will govern the provision and operations of telecommunications services in Jamaica is at an advanced stage of preparation.

The government will specify the services to be offered by the licencee and according to Pickersgill will, "exclude from its purview, television and broadcasting services, private telecommunication systems and certain radio services now regulated under the Radio and Telegraph Control Act." He said that in anticipation of the new licence the TOJ had made "a proposal to my ministry as to the form and content of the licence it would seek under the new legislation". He claimed that some people had erroneously confused the TOJ proposal as being a draft licence from his ministry. But he said the draft legislation and the TOJ proposal for a licence remained under review by his ministry. No submission had as yet being made to cabinet.

Prime Minister Percival Patterson established an inter-ministerial committee which he will chair "to have a detailed look at the draft" before it goes to cabinet, Pickersgill said.

He said that in any case, the telecommunications act would have to be debated in parliament before it can become law and a revised licence granted to TOJ "or any other applicant".

Telecommunications in Jamaica has been under the microscope recently following media reports that the TOJ was seeking to extend its 25-year licence to 50 years and gain control over all aspects of "present and future" information technologies.

Publication by former prime minister Michael Manley of a letter he wrote to the chairman of TOJ, Mayer Matalon, in 1990 pledging to amend Jamaica's telephone license to ensure that TOJ retained exclusive rights to provide "public telecommunications services, in from and through Jamaica" added fuel to the furore.

Both Manley and Matalon have insisted that the letter was referring only to traditional telecommunications and was never meant to include "value added services such as information processing and computer related processing or services".

The issue also brought into focus the question of whether crucial developmental tools such as telecommunications should be foreign owned and controlled. Under a multi-pronged divestment deal carried out in the late 1980s to 1991, Cable & Wireless has 79 per cent controlling interest in TOJ. The Matalon family owns more than half of the locally-owned shares.

Netherlands Antilles

Justice Minister Appointed New Prime Minister

FL2611235093 Bridgetown CANA in English 1905 GMT 26 Nov 93

[Text] Philipsburg, Netherlands Antilles, 26 Nov, CANA—Justice Minister Suzy Romer has been appointed the second female prime minister of Netherlands Antilles, following the resignation of Maria Liberia-Peters Thursday.

Liberia-Peters tendered her resignation to Governor General Sir Jaime Saleh, after losing the support of members of her coalition government in the national

Parliament. She cited "personal resons" for relinquishing the prime ministership.

Political observers said the new prime minister may be asked to run the government in a "caretaker capacity" until parliamentary elections are called. Romer will retain responsibilities for the Justice Ministry. The parliamentary elections are slated for February 25th next year.

Under a caretaker government, an appointed prime minister can run the day-to-day affairs of the government, but does not have any authority to undertake new initiatives, or make important decisons, except in cases of emergency or where such actions cannot be postponed until a new goverment is elected and installed.

The governor general is expected to hold a series of talks over the next few days, with leaders of all the political parties representing the Antillean Parliament and other independent senators, including St. Maartens' three senators, before making the ndecision.

"If the prime minister is asked to assumed leadership in the caretaker capacity," analysts said, "it will not affect the administration of leadership, since the government have already announced that the cabinet would go that route on January 1."

St. Lucia

Banana Farmers Call Off Scheduled Strike

FL2811212793 Bridgetown CANA in English 1623 GMT 28 Nov 93

[Text] Castries, St. Lucia, 28 Nov, CANA—Banana farmers in St. Lucia have called off a planned strike Tuesday in light of "recent developments" in the industry, the Banana Salvation Committee, a major organiser, [words indistinct].

A release from the committee of prominent banana farmers, said some of the demands of the farmers, communicated in a letter this week to the authorities, had been met. The release said the interim board of the St. Lucia Banana Growers Association (SLBGA) has been dissolved and replaced, as was requested by the farmers. It also noted serious attempts were being made to implement the recommendations of a special committee which submitted its report this week, on major cost cuts in the banana industry.

The committee expects the other outstanding demands of farmers will be met by the new seven-member interim board, named Saturday.

Chairman of the new board is veteran agriculturalist Calixte George.

Two members of the Banana Salvation Committee, former board chairman Rupert Gajadhar, and Abel Wilson head of the salvation committee have been named to the board. The sole female appointed to the new SLBGA interim board is former Senator Heraldine Rocke.

Trinidad and Tobago

Budget Foresees Surplus From New, Higher Taxes

FL2611235993 Bridgetown CANA in English 2214 GMT 26 Nov 93

[Report by Linda Hutchinson]

[Text] Port-of-Spain, Trinidad, 26 Nov, CANA—Trinidad and Tobago's Finance Minister Wendell Mottley on Friday unveiled an almost 8 billion Trinidad and Tobago dollar budget which included another hike in motor vehicle fuels.

In his two-and-a-half hour long statement to Parliament on the 7.7 billion dollar budget, Mottley said government was imposing a road improvement tax of five per cent on motor vehicle fuels to assist in repairing the roads. "Government is of the view that motorists and the travelling public generally, would welcome relief in this area if they were assured that for a minimal increase in the price of fuel, the problems were tackled with a dedicated effort and they are able to travel in relative comfort, reduce expenditure on maintenance and repair of their vehicles and possibly save lives," Mottley said. He said receipts were estimated at 50 million dollars while government will provide 40 million dollars for the construction of access roads and bridges throughout the country.

During his address, which had as its theme, "Our Shared Vision: An Invitation To Participate", Mottley also announced several new taxes, such as a 15 per cent transaction tax for financial services which include the provision of statements, orders, bills, bonds, letters of credit, bank cards, cheque books among others. Another new tax is the transfer tax on change of ownership of used vehicles which ranges from 2,000 dollars on vehicles five years and over to 4,000 dollars on vehicles under two years old.

Government has also widened the coverage of the business levy which was only applicable to companies, but which will now include self-employed persons and sole traders. The measure is expected to yield three million dollars.

The tobacco tax on imported cigarettes has been increased from 62.50 dollars per thousand cigarettes to 105 dollars per thousand cigarettes. Government has also decided to impose an in-bond sales tax of five per cent on all in-bond sales effective from the beginning of next year.

The motor vehicle tax was also increased. Based on the vehicle engine size, the tax will range from 10 per cent to 100 per cent.

Customs duty of five per cent will also be imposed on imported powdered milk, excluding baby formula and duty on imported frozen and chilled beef will be increased from five per cent to 15 per cent.

Recurrent outlays total 7131.2 million dollars while capital expenditure is 667.3 million.

Recurrent revenue will amount to 7,695.4 million dollars, while capital receipts and grants are targeted to reach 80.3 million dollars, for total revenues of 7,775.7 million dollars.

Mottley said the budget, which was based on international oil prices remaining at US19 dollars a barrel, was expected to realise a surplus of 564.2 million dollars on the recurrent account or 2.1 per cent of gross domestic product (GDP). He said the small surplus together with amortisation payments of just over 2 billion dollars will require that government source 889.1 million dollars in new funds and divest 473.1 million dollars in assets on the foreign market.

Government also plans to borrow 461.1 million dollars in new funds on the local market, while raising 194 million dollars through the divestment of shares in a number of public enterprises. "As a result, the country would continue to reduce its external debt stock," Mottley said.

By the end of September, the country paid US474.9 million dollars in debt service obligations and at the end of the year was expected to reach US636.5 million dollars. "We would not have been able to meet out heavy debt service obligations and generate the needed increase in foreign exchange reserves without some costs," Mottley said, adding that the cost in part was reflected in the 20.4 per cent unemployment level. "As it becomes more possible to relax our tight fiscal and monetary policies, particularly as our debt burden is reduced and our foreign exchange reserves are rebuilt the growth process will accelerate in the short term and unemployment will decline. However, for the longer term, we need to address the underlying causes which are, a lack of national competitiveness contributed in part by inflexible labour markets, excessive costs and outmoded technology," he added.

Oil Well Explodes in South Trinidad

FL2611164993 Bridgetown CANA in English 1518 GMT 26 Nov 93

[Text] Port-of-Spain, Trinidad, 26 Nov, CANA—An oil well in south Trinidad exploded Thursday afternoon, spewing gas, oil, mud and stone up to 200 feet in the air and damaging houses and vehicles.

NEWSDAY on Friday reported that more than 100 families had to be evacated after their homes were covered in red dust by the explosion.

Petrotrin, the amalgamated oil company, was Friday still investigating the cause of the explosion at the well in the Oropouche fields and accessing damage to property. One oil worker received a broken finger.

The blowout, which occured shortly after midday, was brought under control about four hours later when workers pumped salt water into the well to keep the gas down.

Colombian Government, Business Leaders React

PA2511023293 Santa Fe de Bogota EL TIEMPO in Spanish 19 Nov 93 p 12A

[Text] Santa Fe de Bogota—On Wednesday night, as soon as the U.S. House of Representatives approved NAFTA, President Cesar Gaviria Trujillo sat down and drafted three letters addressed to the U.S., Mexican, and Canadian leaders.

The first letter dispatched yesterday morning was to Bill Clinton, followed a few hours later by letters to Mexican President Carlos Salinas de Gortari and Canadian Prime Minister Jean Chretien. The last letter was delayed because of translation problems.

In his congratulations to Clinton, President Gaviria took advantage of the "messenger pigeon" [palomita] to reiterate Colombia's interest in NAFTA, which will go into effect on 1 January. The letter says: "Colombia has always considered NAFTA an important step toward a hemispheric free trade zone. We have opened our economy by reducing tariffs; by modernizing legislation on foreign investment, labor, and environmental issues; and by negotiating agreements with our neighbors. We have achieved all of this without departing from our democratic tradition—the oldest in Latin America. Allow me to once again reiterate my country's interest to become, as soon as possible, a new partner in this alliance of free trade."

The Colombian president, in addition to praising Clinton's triumph, said, "decisions such as the one made by the U.S. House of Representatives encourages us to continue free trade programs that will result in greater economic growth and development."

The letter to Salinas de Gortari, slightly briefer, reflects the same spirit of "rejoicing" over NAFTA's approval and future "consolidation of expectations of commercial liberation of all of Latin America." Nevertheless, this letter included a more political paragraph: "NAFTA is also a vehicle for the strengthening of democracy in our hemisphere, an indispensable element for the social development of our peoples."

Likewise, Jean Chretien was congratulated for the boost Canada has given "to economic growth in the hemisphere." The Colombian president stressed: "Both Canada and Colombia share a commitment to free trade. For our part, we have significantly reduced import tariff barriers; we have established free trade agreements with Venezuela, Chile, and the Andean Group; and we are currently negotiating lower import tariffs with Mexico, Central American countries, and with Caribbean Basin countries." In our quest to join NAFTA, there cannot be too many reminders of what we have done.

Foreign Minister Noemi Sanin de Rubio described NAFTA's approval as "a historic support to countries which, like Colombia, have wagered their future development and international policy on the free trade formula." She reiterated: "Colombia is one of the countries with the best chance to join NAFTA by way of the so-called membership clause."

Business Associations Opinion

For National Association of Industrialists President Carlos Arturo Angel, NAFTA's approval leads one to believe that the United States will allow a commercial bloc in Latin America. The National Exporters Association believes that the approval dispels the possibility of successfully concluding GATT's Uruguay Round. The National Federation of Businessmen believes this shows that the United States has understood that free trade benefits less developed countries, which in turn benefits Latin America.

Last, Association of Colombian Farmers President Cesar de Hart Vengochea said that, by virtue of the approval, "Europeans will not be able to continue with their protectionism." Nevertheless, he added that he fears the possible effect NAFTA might have on the pace of the Group of Three negotiations.

Asuncion Commentary on NAFTA, Clinton's New Stature

PY2411130893 Asuncion ABC COLOR in Spanish 21 Nov 93 p 28

[Commentary by Hugo Saguier Guanes: "A Treaty of Unsuspected Scope"]

[Text] The gods have been favorable to Bill Clinton ever since he took power in the United States. First it was the health care program, which will be implemented with good omens; then it was the Israeli-Palestinian accord, which made possible a handshake between two staunch enemies before the attentive look of the event's main player; and now it is NAFTA'S approval in the House of Representatives, which, without a doubt, will be registered as a very important landmark in the economic history of the entire American continent.

Washington very much needed to convince the world of the real intentions of the U.S. President, who, today, is considered the flag bearer of democracy and free enterprise, at a crucial moment, during a singular meeting with 15 representatives of Asian nations within the vast Pacific project.

NAFTA is a bridge uniting both continents under undisputed U.S. leadership. The U.S. ideological flag, mixed with singular corners of neoliberalism and democracy, has risen to its highest level under the strong winds of change. But in this enterprise Clinton not only had the support of politicians and legislators, but also the approval of powerful companies and large industrial centers, whose leaders would like to see the opening of an immense market, the largest in the world, and an immense ground where all technological, scientific, economic, and financial cards can be played in order to revive areas totally on the sidelines of the process of overall growth.

In this sense, Mexico will be revitalized. The new links will give substantial support to programs implemented by Salinas de Gortari, who also has emerged as a great leader and a clear winner in that country's upcoming elections.

All of Latin America might gradually join NAFTA. The countries that are better prepared to do it are undoubtedly Chile and in second place Argentina, without mentioning other countries in the region that also are carrying out a total revision of their economic structures in order to control recession, inflation, and fiscal deficit.

There is, however, another side to NAFTA. We must not forget that some 200 representatives voted no to the treaty, which simply means that the process to incorporate other continental economies will not be as automatic as it looks. The incorporation of other countries can be slow and costly in political and economic terms considering the American population's split on this controversial issue.

In any case, the treaty approved by the House of Representatives requires 15 years for total implementation and a gradual elimination of custom barriers in the way of goods from the three countries.

On the other hand, and within the Uruguay Round of GATT, the United States will be able to present new schemes for trade relations to definitively bury the obstacles in the way of a total liberalization of world markets, which is the final GATT objective. From a global perspective, NAFTA already has become the flag bearer of a world full of possibilities and new commercial opportunities on a planet permanently compressed by history's acceleration.

Correction to Salinas on Senate Ratification

FA2411143993

The following correctin pertains to the item headlined "Salinas on Senate Ratification of NAFTA," published in the 24 November Latin America DAILY REPORT, pages 7-8:

Page 8, column two, second paragraph, first sentence make read: ...organization, and Procampo [Programa de Apoyos Directos al Campo—Program of Direct Support to the Countryside] will encourage production... (providing expansion)

Ruling Party Announces 1994 Presidential Candidate

PA2811185493 Mexico City NOTIMEX in Spanish 1746 GMT 28 Nov 93

[Text] Mexico, 28 Nov (NOTIMEX)—The ruling Institutional Revolutionary Party (PRI) today designated 43-year-old economist Luis Donaldo Colosio Murrieta its presidential candidate for the August 1994 elections.

Colosio, the current social development secretary, has held public offices for the past 15 years after having obtained his degree in economics at the Higher Studies Technological Institute in the northern Mexican city of Monterrey. His appointment as the presidential candidate for the PRI, which has never been defeated in a presidential election since it was founded in 1929, was announced during a news conference by Fernando Ortiz Arana, president of the PRI National Executive Committee.

Colosio, who comes from a family of farmers, was born in the small northern fishing community of Kino, located in the northwestern state of Sonora along the Mexican Pacific coast.

With Colosio's nomination, there are currently four presidential hopefuls on the Mexican political scene, including one woman, Celia Soto, who represents the small Labor Party. The other presidential candidates are conservative Diego Fernandez de Cevallos of the National Action Party, a successful businessman from the northern part of Mexico, and Cuauhtemoc Cardenas, an engineer representing the center-left Party of the Democratic Revolution.

On 21 August 1994 approximately 40 million Mexican voters will select a new president of the Republic, renew the entire Chamber of Deputies, and elect half of the Chamber of Senators.

PRI Candidate Speech

PA2911030493 Mexico City Canal 13 Television Azteca Network in Spanish 0148 GMT 29 Nov 93

[Speech by Luis Donaldo Colosio Murrieta, Mexican Institutional Revolutionary Party, PRI, presidential precandidate, to a rally of party members at the PRI Headquarters in Mexico City—live]

[Text] Mr. Fernando Ortiz Arana, president of the National Executive Committee of the Institutional Revolutionary Party, PRI, friends of the party: I accept with the enthusiasm of a party man, the support that you are giving me today—you leaders, militants, and supporters of the Institutional Revolutionary Party [PRI]—for my candidacy to the presidency of the Republic. [applause and shouts]

I am doing this with conviction and am deeply moved by the fact that men and women with whom I share ideals and goals have decided to nominate me as the PRI candidate for the presidency of the Republic. To me this is the highest possible honor. We are on the way to victory with the PRI. I am doing this with unswerving faithfulness to my political vocation—a vocation that I reaffirm today and one that is subject to great demands: that of being faithful to our principles and values; of honoring and exalting our party's trajectory; of presenting our proposals; and of waging a campaign at the level of the Mexican people's aspirations. [applause]

I am doing this heeding the call of my conscience, which is the conscience of a man who believes in politics as the responsible exercise of uniting wills around a purpose. I believe in politics as a privileged space for living in harmony; for civilized coexistence. I believe in politics as the tool that societies have created to set their interests in order; to express their will; and to lead their destinies. This is the politics conceived by my conscience, and I am prepared to assume this commitment. [applause; shouts of "Bravo!"]

I am the heir of a tradition of effort, not of privilege. [applause] I have had opportunities along this road: the opportunity of studying, going to college, participating in politics as a federal deputy and as a senator for Sonora [shouts and scattered applause], and of serving a government from modest positions to heading the efforts in the Social Development Secretariat. These are the efforts that allowed me to rise to the presidency of my party, the PRI. [applause and shouts] My convictions were formed and took root along this road.

I belong to the generation of change, the generation headed by Carlos Salinas de Gortari. [applause, shouting] The generation led by Carlos Salinas de Gortari began the project in which I believe and share: that of great reforms, of the reform of the revolution. [crowd shouts: "Viva Mexico!"]

During these years of intense work, I have confirmed the Mexican people's affection for their president. President Salinas is one of the great pillars of our party. His prestige, ability, devotion, and loyalty to Mexico make PRI strong and make the nation strong. [applause, shouting] I believe in the nationalism that emerged from the Mexican revolution, a popular nationalism because it unites us and has its roots in our people's aspirations.

I am a man from the border area. One lives our identity there every day. The contrast of cultures is evident there and one greatly appreciates the wealth of our values: Our love for Mexico, which is built with our daily efforts and which overcomes adversities.

I am a man from the north. Our communities' great potential for strength is evident there and love and respect for the family are present. [applause] The culture of my region has taught me the importance of tenacity, perseverance, and effort. It has taught me the value of work and respect for the diversity of this great nation that is Mexico. That is why I believe in my fatherland. That is why I have decided to devote myself to it and to struggle, with you, to make it greater. [applause]

By getting to know other nations, I have been able to admire even more our values and our history, our attachment to the family and the importance of setting an example for our children. I am determined to maintain my line of conduct of loyalty to the principles I inherited and that I foster in my children.

Being nationalistic is to make sovereignty the fundamental value. Mexico's great battle is for sovereignty. That is my conviction. [applause] Our greatest heritage is the independence of the nation. We view it as the Mexican people's capacity to determine their destiny within and without our borders. I have seen the importance of change in the world, of globalization, regionalization, and the intensification of commercial exchange.

Friends of the party, I am convinced that in this phase we have to strengthen Mexico's participation in the world and continue increasing our ability to promote our interests. Sovereignty and nationalism are part of our culture. They inspire our daily tasks and our love for Mexico.

I am a man of deep democratic convictions. I have demonstrated this with facts. I have practiced it with pride. To believe in democracy is to respect the rules of the competition; it is to encourage debate and deliberation; and it is to accept the results of the people's will. My commitment to democracy is irrenounceable. [applause]

We are going to face the upcoming electoral campaign with new norms. All political parties must comply with them and that is how we are going to do politics credit. We are now facing an exceptional opportunity. Let us not waste it. We are first going to demonstrate to ourselves and to our sons that the political competition we are experiencing in Mexico is honest and is based on values. Let us show them we have the courage, the decision, and determination to improve our democracy. [applause, cheers]

Citizens will find out that we have the best proposal. I am going to invite the candidates of the other parties to an open debate. [applause, cheers] I am going to invite them to an open debate to exchange ideas and programs. Our votes will be convincing. We are going to win the debate and the votes! [applause, cheers]

The highest value in our society is the nation and the highest value of man is his freedom. That is why expanding freedom is a permanent job. To recognize and protect the rights of society and giving guarantees is the source of the legitimacy of our social coexistence. We are going to give a voice to those who do not have it. We are going to give a voice to the unprotected, to the poor, to the have nots. These voices will join the voice of the nation. My commitment is with a society that can be recognized for its respect for the law and man's dignity. We want a society that can fight discrimination, poverty, and backwardness.

We are going to promote progress. Going further in our transformation also means we are going to expand opportunities for our middle class, which means more opportunities for businessmen, rural farmers, small land owners, teachers, university students, professionals, and public employees. Promoting greater progress and going further means we are going to expand the social expectations of all Mexicans.

Changes in the world have proven we are correct in our social reform. Economic debate is our proposal. As a public official, as a legislator I have participated and shared in the decisions of this stage of reforms and recovery. As an economist I am convinced that we have chosen the correct path. Our work is the best speech I can give. I favor an economy of certainty. I have seen the social cost of incorrect economies and the rebirth of hope with correct economic policies.

I know the devastating effects prompted by financial irresponsibility, lack of discipline in making expenditures, and unsubstantiated promises. We very well know that the ones who end up paying for such irresponsibilities are the people and they pay with their suffering. I reject populism, demagoguery, and lies. Discipline in our public finances has arrived to stay. [cheers and applause] There will be no diversion. Let this be very clear. There is no turning back. Society would not permit this. Let this be very clear. There is no turning back. The challenges we have to meet in the future require this.

We have invested a great deal in the change strategy. To get the benefits to reach Mexican person requires perseverance and tenacity. We have to continue on this path, institute what has been effective, and develop new goals to go further. My commitment is to achieve greater progress. [applause and cheers]

In my career, I have always valued the importance of contributing to a team, productivity, knowing how to work with leaders, discipline, and of wholeheartedly carrying out assigned tasks. Those values have allowed me to fulfill my dreams. Now, in this campaign, I have to be at the forefront. I will assume my responsibility. To this end, I count on my party and on you. I am a loyal man. You will always find in me a single voice and a single determination. [applause and cheers]

We are going to increase the strength and the opportunities that Mexico's new economy offers us today. Our challenge is to take advantage of the benefits we now have; the ones of a stable and growing economy.

Regarding NAFTA, I am going to lead the efforts to increase productivity, be more competitive, and increase the Mexican people's well-being. Our economy will have to become known for its capacity, for its capacity to generate investment, create more jobs, and increase salaries. Let us not forget that only a strong and healthy economy can make justice. More jobs and better salaries is my commitment. [applause, shouts of "Bravo"] That is the best way to distribute income. That is what gives tranquility and assurance to families. That is what guarantees the future of our children. Let us not forget that

the ultimate purpose of the economy is man, his well-being, family, community, region, and fatherland.

The challenge facing Mexico toward the end of this century is broad social reform. I have toured the country. I have visited the farthest corners of Mexico. I am aware of its vast potential, but I am also aware of its needs.

It is true, I am from the north, but I also recognize myself as a Mexican within the great forces in the center and south of our fatherland. I am aware of the great cultural worth of their people, and admire the great talent and creativity of their regions. I am familiar with the various social organizations: those that forged our times, and those that have emerged from the vigor and force of our current transformation. In all of them, in all the social organizations there is a clamor for participation, for contributing to broad social reform. I intend to open a space so that there will be pathways for their energy and initiative, and so that they may become decisive factors in the new phase of our country's well-being.

Extreme backwardness brings us great pain. The basic aspiration of those who live in the barrios, the neighborhoods, the ejidos [communally held land], and the Indian communities is the productive improvement of living standards. They are clamoring: No more injustice, no more poverty! [applause and shouts]

To build the society we want we must resolve the problem of extreme poverty. Only with guaranteed alternatives of social development will we be able to continue building the strong Mexico we want to have by the end of this century. I propose to maintain and deepen the National Solidarity Program as the backbone of our social policy. [shouts of "No!", boos, and catcalls drowned out by applause and chants of "Solidaridad! Solidaridad!"]

As a Mexican and as a member of the generation of change, I believe in broad and profound social reform on which the new hopes of Mexicans can be based; reform that will provide certainty for our future. I am not proposing bureaucratic or centralized reform; I am proposing authentic reform that originates in the regions and in the feelings of each community, and in which the well-being and dignity of the human being will be the center of all our efforts.

All of these goals are intertwined. To struggle against poverty is an ethical commitment, but it is also a condition for stronger sovereignty, for our democratic aspiration, and as a basis for freedoms. A strong economy will open the possibilities for a profound social policy. Improved living standards will contribute to setting up the conditions to ensure freedom and democracy. And, in turn, our democratic way of life will benefit from an economy that generates employment and from a social policy that provides education for advancement and development, quality training, decent housing, and better health services.

All of these goals converge in sovereignty, and in the strong and vigorous country that we Mexicans want. At this meeting I would like to reiterate my conviction and my pride as a member of the PRI. I can look each militant in the eye; great undertakings have united us. Together we have learned the value of effort, dedication, and principles. I know my party quite well. I am aware of its vast capacity, its feelings, its determination, and its enthusiasm. It is the party of Mexico's transformation. It is the party that has given peace, certainty, stability, and future to the nation.

The PRI is the party with the capacity to bring about the changes that Mexicans are demanding while preserving our values. Summing up: We are the party of the revolution; the revolution continues to guide us. This century began with a victorious social revolution, and it is ending with a reformed revolution that is fulfilling its goals. I have profound faith in the Mexican Revolution. I believe in its principles.

I believe in our Constitution. The PRI members struggled to keep it in effect. This is the cause to which I devote myself. With the cause of the revolution, we will win! [applause, shouts of "Bravo!"]

Friends of the party: We are going to the campaign of victory. Let there be no doubt. We are ready to compete and we are ready to win. [applause, shouting] The PRI today is a better organized party with greater capacity to be present in the national territory, in each community, in each barrio, in each ejido. We are a national party that has the best men and women most dedicated to the best causes of Mexico. The great social leaders are members of the PRI. This organized and united PRI is the party of victory. This is the party that fulfills its duty to the revolution and does it with spirit, pride, ability, and strength. It is the party that has transformed itself to get in step with these new times for Mexico. It is the party that knows what to do with power and that has promoted the country's great changes. It is the party that updates its proposals, that gives confidence to the Mexicans, that creates opportunities for the participation of women and men of all generations.

I will be the candidate of the workers. I will be the candidate of the Mexican peasants, [applause] of our popular classes, of the professionals, of the teachers, of the students, of the university students, and of the new social organizations. I will be the candidate of those whose values are the sovereignty and nationalism of Mexico. Our campaign will be broad-based with the greatest and broadest participation. It will be an enthusiastic campaign in which each individual will have a place and a role to play. That is why victory will belong to all. We will make efficient use of our resources and will account for our expenses. We will maintain close communication with the citizens. Through dialogue, we will work to convince the people and we will respect those who have different ideas. With the strength of our party, with the vigor of our campaign, and with the Mexican society, we are going to win, we are going to win

the future for the Mexicans, for our children, for our families, for the well-being of each and every fellow countryman, a future of better freedoms, of more democracy, a future of greater social justice, a great and certain future for the nation. We are moving toward greater progress for Mexico. Viva Carlos Salinas de Gortari! [crowd shouts: "Viva!"] Viva the PRI [crowd shouts: "Viva!"] Viva Mexico! [crowd shouts: "Viva!"]

Labor Party Candidate Discusses Platform

PA2811173093

[Editorial Report] Mexico City XEW Television Network in Spanish at 0535 GMT on 25 November broadcasts a "special program" that features a 50-minute live interview with Mexican Labor Party presidential candidate Cecilia Soto Gonzalez by program host Jacobo Zabludovsky at the XEW Television studios in Mexico City.

The interview opens with Zabludovsky asking Soto about her policy on education. In her reply, Soto says education must undergo changes to meet the challenges of modernization and economic opening. She says: "We need to give teachers a sizable salary increase and to strengthen those areas of the educational spectrum that guarantee Mexico can compete on a first-rate level in science and technology."

Zabludovsky then asks Soto to outline her position on economic matters. After noting that many small companies were driven out of business by the commercial opening that preceded NAFTA, she says: "The current government chose to follow the Korean model—that is, to help a small group of large companies. We want a more Mexican model that will promote the largest number of small- and medium-sized companies, which will guarantee something this government has been unable to guarantee—namely, jobs for all Mexicans." She continues by saying she does not want Mexico "to keep subsidizing the United States" by sending Mexicans workers there, adding, "We want an economy with jobs for all, and this is indeed possible."

In response to a question on the role of women in her government, Soto pledges to open her administration to the participation of more women. After pointing out that women comprise the majority of registered members of the "better known" political parties, she notes that women still do not play a major role in any of them.

Soto is then asked to talk about how she will handle public security matters. Soto responds by saying, in her opinion, the police need to become more professional, and she adds that a national data bank should be created to prevent policemen who break the law in one state from obtaining a job in the police force of another. She also feels a pay raise is needed for police officers, and she says that there should be greater supervision of the judicial branch and the institutions that mete out justice. She adds: "I would submit to the consideration of the legislative branch and society the possibility of appointing judges in a different manner. Perhaps they can be appointed directly and permanently, which would permit them not to fear dismissal if they dare to defy the executive branch."

Moving onto the topic of drug trafficking, which Soto calls "a major security problem," she says the issue should have been discussed within the context of the NAFTA negotiations, because, "I think the problem is caused by the demand in the United States, which is turning us into a transshipment country." She points to the fact the United States has not made the kind of major drug arrests Mexico has.

According to Soto, while the Mexican Army is involved in fighting drug trafficking, the United States "is using its National Guard and other institutions not to fight drug trafficking, but to prevent the entry of illegal aliens." The Labor Party candidate says the U.S. Congress has authorized millions of dollars to build a "shameful" wall to keep aliens out, and she asks, "but what are they doing about drug trafficking, which is having a major effect in this country?" In Soto's opinion, the drug problem is complex and needs to be discussed "at the highest bilateral level."

Zabludovsky turns to the topic of the new Electoral Law and asks Soto whether she feels the law, as well as the procedure for the upcoming elections, is reliable. Soto responds: "I think the only reliable thing, above any law, is the participation of all the people." She adds that when there have been a large and enthusiastic election turnouts, results have been "reliable and acceptable to all." Although not fully satisfied with the Electoral Law, she lists among its major achievements the opening of the Senate to the participation of minority parties. She adds that the Electoral Law contains a number of interesting breakthroughs, although she deplores the fact that under the new law it is easier "to make a round trip to Jupiter in a day than to establish a coalition among different parties."

Zabludovsky then asks: "What do you really expect from your candidacy and the chances of the party that has nominated you?"

Soto replies: "As the song goes, to clear a path as I walk." She continues by admitting she is unlikely to win the elections, but in countries like Peru, Japan, and the United States, "situations that at one time seemed unchangeable have changed in a matter of weeks." The Labor Party candidate affirms she is serious about becoming president, but even though this may not happen, she feels the winning candidate will have to take every vote cast for her into consideration. "Those votes will send a message and will help change the country," she says.

Zabludovsky then asks Soto to outline her position on health care. She says: "If we invest in drinking water, sewage, and better nutrition for Mexicans, we will

resolve the nation's major health problems." She goes on to note that many Mexicans who used to seek private doctors are now going to public health centers because their income has dropped. In turn, Soto says, public health services are overstretched and require more funding.

After Zabludovsky turns the topic of discussion to agriculture, the Labor Party candidate says the current government is to blame for the problems in the sector. "We are experiencing the worst agricultural crisis in post-Mexican Revolution history," she states. In simple terms, she says, the government is trying to make agricultural profitable, "but our agriculture is not profitable because of hastily adopted measures." She feels the government will "very conveniently" hand out subsidies through Procampo (Program of Direct Support to the Countryside) as the elections draw nearer. The program will basically benefit 2.2 million farmers, but each farmer will only receive 600 new pesos a year for his harvest. "Is that very much money?" she asks Zabludovsky, who concedes it is not.

She feels this aid will not help make farming profitable, especially "in the face of competition chiefly from the United States." For this reason, she supports giving subsidies to farmers, because the U.S. and Canadian governments subsidize their farmers.

Zabludovsky moves onto the topic of the recent changes in the Mexican Constitution on church-state relations, which Soto regards as being "positive."

From here, the discussion turns to the topic of oil policy. Soto says the one problem that needs to be confronted in terms of the country's oil is the fact that technology can "turn our oil into a worthless resource in the very near future," because it is prompting "the transition to more efficient energy sources, and new types of fuel will become a reality in a couple of decades." She adds that Mexico has to prepare itself for this change and be in a position "to offer a new range of products."

Regarding changes required by the ratification of NAFTA, Soto says: "We have to make very important changes at the managerial and labor levels. We are confronting a very important challenge with NAFTA, which will go into effect on 1 January and will continue to be implemented gradually. We must have a system to retrain our workers and to improved our managerial expertise."

Zabludovsky asks her how she can be a member of the Authentic Party of the Mexican Revolution and run as a presidential candidate for the Labor Party. She says: "It is a cheerful arrangement between the Labor Party and myself. The Labor Party says that any of its members or any citizen who complies with its requirements can be its candidate. In my case, I complied with the requirements and am backed by a certain number of the party's state committees. I think this is a very good idea because, in addition to the Labor Party members' votes, we require that civilian society—as it is called now—get involved in the process of changing the country."

In concluding the interview, Zabludovsky asks Soto whether she wants to add anything to what she has already said. In turn, Soto stresses the need to have a "genuine" decentralization policy in the country, and she adds that states should be given more funds to act as "free and sovereign states" within a framework of true federalism.

PAN's Presidential Candidate Discusses Election Issues

PA2811013493 Mexico City XEW Television Network in Spanish 0430 GMT 23 Nov 93

[Interview with Diego Fernandez de Cevallos, National Action Party, PAN, presidential candidate, by Jacobo Zabludovsky at the XEW Television Network studio; from the "24 Hours" newscast—live]

[Text] [Zabludovsky] We have here Diego Fernandez de Cevallos, PAN presidential candidate. Good evening sir.

[Fernandez] Good evening, Jacobo.

[Zabludovsky] Thank you for coming.

[Fernandez] Thank you.

[Zabludovsky] We have invited you here tonight to learn more about your political platform. Instead of questions on specific issues, we would like to hear your views on general issues that interest us Mexicans. If you were to become president, what would be your education program? What is your opinion on textbooks and public education?

[Fernandez] I believe that PAN has made great contributions to the Mexican people in educational issues through a struggle that appears to be heading in the right direction, as we have always proposed. At times PAN has been portrayed as a political party that opposes free state education or in which only the private sector should participate—this is untrue. We believe that the state has a primary role to play in this area. The state can never surrender the responsibility of education and of organizing education in the nation; nevertheless, we believe that the error came about because for a long time, there was an education monopoly. The law was structured to limit the private sector's participation, resulting in a considerable lag in the nation's education; therefore, I believe that the change in Article 3—which we have been proposing all along and, fortunately, which has been achieved—is paving the way for education to occupy the place it should so that all people may be free and prosperous. Frankly, this is one of the areas in which we take great pride, because we have always favored public education, but we also favor private education.

We believe it is everyone's duty to shape the Mexican people so that they are educated, prepared, and conscious of both life and their responsibilities. The formation must be overall; therefore, PAN's proposal is as broad as it is democratic. We could never accept—because we never have accepted—the state monopolizing education. We do not believe, however, that the people's education should be in private hands only. The state must have its structures, guidelines, and programs.

I believe a great deal of progress has been made in this regard in Mexico. What is lacking is a great forward thrust of society as a whole and of the government. I believe that education has been significantly decentralized; great progress has been made in this sector. Unfortunately, teachers continue to be poorly paid, and there exists a number of limitations preventing public education from meeting its goals.

A great deal of demagogy was used for a long time, thereby repeatedly limiting universities and government schools to realities that never should have been. These were places where shady individuals, felons, and criminals perpetrated their crimes against thousands of students who wanted to study. Many times public universities have been a political springboard and a scenario for politicians; this can no longer occur. I repeat, I believe progress has been made, and PAN's program will be, above all, in line with its doctrine and platform of complete openness so that society across the board may participate.

I believe we have achieved, among other things—to set out in the law, in the Constitution—transcendental changes. Let's recall up until a little while ago that any den of vice could have a defense when faced with a legal action, but the schools could not. Private schooling was only tolerated, but if they were closed down, if their study programs were cancelled, if their registration was denied, private schools had no recourse to defend themselves against an arbitrary action by the law. We have overcome this. This is a triumph of Mexican society, and we recognized this as an action of the current government. This has been a longstanding PAN request. This opening of the law and this consciousness that the effort must be made by society as a whole opens the door for us to overcome, in the short term, the lag in education.

How can we overcome that lag in education? In the economic field we must have larger public spending, but it is not a matter of my saying as a candidate that I want 8 percent of the gross national product for education, because another candidate can come and propose 10 percent and then another can come and say he wants 15 percent. It is not a matter of what one wants. Economic and social culture measures must be implemented that will allow greater dynamics to provide better schools for all.

For example, the schools are not.... [pauses] Private schools are not granted credits, because they are not profit-making enterprises. In my opinion there should be mechanisms, formulas for the banking system to provide credit to private schools that exist and those that want to be organized based on that opportunity. By the same token, the public universities should have large state contributions, but these should be conditioned. State funds should truly be used for education. I totally agree that the state should make an effort for public education to be free; that is the education the state provides. Nevertheless, it should be free for those who are truly needy. It is not free in the end, because the community pays for this; nevertheless, education should not be charged to those who cannot pay, but the sons of multimillionaires—who number in the hundreds or thousands—should not be in public schools and pay nothing.

I think we can find mechanisms to support with scholarships and other benefits those who have no money, no economic resources. From them we must demand academic proficiency, though; if we do not, we would be squandering social resources, and sometimes funds and resources are not managed adequately.

I say that we cannot forget that university assets are provided by a poor nation, and therefore the people's effort must be rewarded with an education useful to students and the students must take advantage of it. No one should be left without a higher education due to a lack of economic resources. The people must be educated to face personal challenges as well as the challenges posed by society, especially now when we are opening up to the world.

[Zabludovsky] What would be your program in the field of finance and the economy, and what do you think of NAFTA?

[Fernandez] I believe that in the general economic order of a country—namely macroeconomics or the important economic decisions—it is very irresponsible to establish specific and categorical formulas like a medical prescription in an economy that is so complex, in which everything is interconnected, and that is also tied to the economies of other countries, whether or not we like it. To sum up, the economy of a country is also related to the economies of other peoples and the world's economy. There are internal factors affecting the economy, as well as external factors.

I believe that there cannot be an arbitrary formula to change this country's economy. What we can say is that the important adjustments that may occur must be made by society as a whole and not a single political group. In order to overcome the unfair system of a large concentration of wealth in a few hands and an impoverished population, broader participation by society is required rather than an authoritarian recipe of centralized formulas. In this regard, we may make some progress if we begin with fiscal federalism to allow municipalities and states greater access to the national wealth, instead of only 3 percent of each peso. In Uganda, for instance, 12 to 15 percent of revenues are destined for municipalities.

In Mexico, fiscal federalism must be implemented as soon as possible so that the products of all Mexicans can expeditiously reach all structures of the constitutional power, namely the states and municipalities, instead of being allocated somewhere else, where they do not yield the results they should produce.

Regarding the treaty, aside from what my party finally decides—because this was one of the most delicate topics discussed at the convention and was postponed for later party discussion—I believe that the treaty represents a good opportunity for Mexico in the long run. We are conducting a final analysis of the treaty reflecting the seriousness and responsibility with which the PAN is acting. Our position on the treaty is not defined by PAN's president or a select group, but by thousands of PAN members. We have deemed it convenient to postpone some final definitions on the issue, because it is a very complex matter that must be carefully analyzed.

We cannot expect immediate results from the treaty, but I am sincerely concerned with the problem of short-term effects on small- and medium-sized industry and the Mexican countryside. At this point, I do not think it is appropriate to revise or question the treaty, thus dividing us as a country. We must understand this is the result of many years of work and, for good or bad, with or without limitations, it is a fact the treaty will go into effect. The important thing for the people now is to pull together as a nation with a government that really cares about small- and medium-sized industry, as well as the countryside.

If we do not create infrastructure in the short-term and direct support to Mexican peasants, who cannot compete with U.S. farmers.... [changes thought] We must not deceive ourselves. Everyone knows that in the United States peasants receive large subsidies. They receive government subsidies and have better roads, railroads, and cheap credit. The problem of our small- and medium-sized industry and the countryside is that they do not receive credits, and when they do, it is very expensive. This does not allow us to compete. I think it is necessary to implement measures to rapidly meet the needs of these production sectors and to begin to compete. We must not be afraid or divide ourselves.

I think that the treaty is a formula that can help us enter a modern world, as long as authority derives from the people so it responds to the people.

[Zabludovsky] Mr. Fernandez de Cevallos, there are now two presidential candidates. Since yesterday when PAN supported you by a broad majority, support of nearly 70 percent, in a large convention held here in Mexico City yesterday morning, you now join—as the second candidate of a registered party—PRD's [Party of the Democratic Revolution] Cuahutemoc Cardenas as the second presidential candidate. Also yesterday Mr. Cardenas refused to hold a debate with the secretary of commerce on NAFTA. Had you been invited, would you have come out to debate the commerce secretary?

[Fernandez] Immediately.

[Zabludovsky] Then, what do you think of Mr. Cardenas' attitude?

[Fernandez] With all due respect, I honestly did not understand Cardenas' attitude. I believe that if he spoke, and he spoke in hard terms about the treaty, he should have come out to defend what he said here, especially because the invitation by the commerce secretary was public. Politicians should face challenges and not seek ways or arguments to avoid direct answers in front of the cameras or the people.

I believe that there may be some secondary reasons or explanations for Cardenas to say he should have been invited before or this may have been more important under different circumstances. Perhaps he is correct. But I am not satisfied to see a politician who criticized the treaty and said it was a bad negotiation for Mexico turn down a debate, if the official responsible for conducting the said negotiations invited him to a public debate. I think that out of honor, dignity, and common sense, he should have accepted the debate to tell Dr. Serra what he said through other media and also to defend the PRD's reasons—be they respectable, intelligent, or valid. I do not think it is correct for a politician to avoid, after making such serious statements as Cuahutemoc did, the debate proposed by a government official to discuss their viewpoints before the nation. Of course, when I am invited to a similar debate, I will gladly accept the invitation.

[Zabludovsky] One of your party's positions, which nowadays is also a world position, is the struggle against corruption. How would you face corruption if you became president?

[Fernandez] I think that we must clean house from top to bottom. If the higher structures of power make a great effort to purge the work of public officials who have high responsibility, this will permeate to lower-echelon levels, thereby increasing the base of administrative honesty.

But I want to be absolutely frank before the cameras and the public. The problem of corruption cannot be limited to government factors or officials in the government. It is a problem that demands efforts by the family. Parents must set a good example when educating children, although we may not be perfect. Parents must sent an example of honesty, decency, and integrity, despite our flaws, weaknesses, and mistakes. Children must see in us respectable men and women who do things right; they must see our good and bad sides without deceit. Children must become aware of their social duty, their duty to the country, their responsibility to themselves, and their personal honor. This will create favorable conditions to overcome corruption.

No matter what you tell me and as long as political work is not conducted in an excellent manner so that only those who receive votes become public officials, if no clean work is done, one cannot demand honesty.

Honesty cannot be achieved if the organization of the authority is not clear, not transparent; consequently its conduct and its performance will not be honest either. This is why PAN's great determination is for this political campaign to be different and better so that we may achieve wonderful results. The government, very correctly, is demanding excellence from workers and businessmen, so that productivity is improved, so our productivity can allow us to be competitive. Nevertheless, there cannot be greater competition, nor excellence with regard to production, and in society, if we do not construct a government also of excellence. The first thing that is required is that the government's origin be absolutely democratic.

[Zabludovsky] Are you saying or are you insinuating that the current electoral system does not go hand in hand with true democracy?

[Fernandez] Yes sir, that is right, but everyone knows this. We have made a great effort, we are working to improve the laws. We have overcome past practices when there was violence. Just a few years ago there was violence and massacres during the elections—few remember, but we experienced this. Remember Elizondo's epitaph: The electoral campaign is no longer amusing, there was one dead with no political trend, two were unfortunately wounded, if this deterioration continues, we can kiss democracy goodbye.

The truth is that before, the electoral process meant violence, aggression, civil war. In this regard we have overcome very primitive practices in our political struggles.

Recall how the Institutional Revolutionary Party [PRI] was born; how the former PRI came about, and all of its predecessors. Unfortunately, we have not achieved the transparency we need; truth and justice cannot be halfway. Democracy cannot continue to tolerate that institutions be deformed and that there be a binomial party-government. The electoral law, for example, has been created with the contribution of politicians from all parties, analysts, scholars, and experts. A great deal of progress has been made. I truly do not see the problem in the law. Our law is not deficient, although it could be improved. What is truly disastrous at times is the conduct in some electoral processes. If the essence of democracy—the elections—is faked, then we have problems. I believe a great deal of progress has been made, but we cannot hide the truth. In this country, the political frameworks remain unfair, the official party-government prevails, this binomial should not continue.

Look, PRI made a gigantic effort last year. All Mexicans heard this. They summoned a national assembly—it was the 14th, if I am not mistaken. They held the assembly, with great fanfare, it changed its by-laws. It manifested the end of the practice of hand-picking candidates and of appointments by top party leaders. Well, many of us Mexicans hailed this. But as soon as it tested the new formula for the party's internal conduct, it panicked because everything collapsed. This party does not have democratic capacity because it is structured vertically, from the top to the bottom. Until the PRI does not compete internally for democracy, a PRI proposal is not even serious, nor has it any right to offer democracy for those outside.

Let me tell you as a proud PAN member—after what we have experienced for 54 years—that yesterday's convention was wonderful, extraordinary, and gigantic. Approximately 15,000 persons debated and voted freely; however, it was just one more party assembly. We have been holding assemblies for 54 years. We have been running the risk of winning or losing there. It is the only party that does this.

The PRD a few days ago held a multitudinous event, but this was a sacred ritual, it was a consecration. Unfortunately the PRI does not hold a democratic convention. This means we must all engage in honest criticism, without deviations. If inside each party a democratic effort is not made, no matter how difficult this may be, we cannot offer democracy to those outside the party. We are all waiting for the designation of a president in the coming days. That is the truth; to say otherwise would be tantamount to deceiving ourselves knowing we are deceiving ourselves, which is twice as bad. In my opinion, the PRD does not engage in democratic practices either, because internally they have demonstrated this. It is a fact that Cardenas has unquestionable force within his group but the fact that he was the only PRD candidate is not the sole criticism against him. That party's whole structure is authoritarian, because it is a PRI spinoff and it has the same structure and the same background. We are making an effort—proven and demonstrated to the people—that when we talk about democracy for the nation it is because we are practicing it. It is not easy, but it is possible and necessary.

[Zabludovsky] Mr. Fernandez de Cevallos, in your opinion, then, the election's legal structure or mechanism has progressed a great deal, but it still is not perfect?

[Fernandez] Yes, I believe that a great deal of progress has been made. I tell those who criticize me inside my party: Let us not argue about this, bring the best law in the world to Mexico and see what happens. By the way, I have many critics, this is why I had encounters with some yesterday. They shouted things at me and demanded many things from me. Bring the best law in the world and hold elections. Nothing will change. We cannot continue this way. It is not a matter of the law.

Let us take an example, with a right to reply, of course. What does the U.S. electoral law do with regard to registration and credentials? It does nothing compared to the Mexican law. Our law is much better than the U.S. law in many respects. Jacobo, in the United States when you go to vote, usually a little old lady receives you; she then asks you your name. You give your name, she pulls out a small card and then asks you to sign. Once she

corroborates the signature you are given approval to vote. You can go to the elections without credentials, without a passport, without a driver's license. You can go without any identification and you can vote. Your vote is not questioned.

We have spent billions on issuing voting credentials and on registrations, and we still do not trust the system. Our voting credentials feature the individual's photograph, his signature, his fingerprints, there is even a data bank. The law demands all of this. In addition, the political parties have the right, according to the law, to a computer center to verify the registration, to verify the faults, and the deficiencies. We can do whatever we want but in the end everyone questions everything. I do not want to hear that in Mexico it is a problem of the law. The problem is in the quality, the condition, the desire to love Mexico.

[Zabludovsky] Mr. Fernandez, you have just said that in a few days the PRI will name its presidential candidate and that this person is virtually the president of Mexico. This is what I understood you to say.

[Fernandez] No, not at all. I believe a great change has taken place as a result of the opposition's effort—not only by PAN—and of society's greater presence. The big difference between the Mexico of a short while back and today's Mexico is that before, the president of the Republic appointed his successor. Currently, he can only appoint the PRI candidate. This is a big difference. The PRI knows that today, despite all the legal and outside support, it must work very hard if it wants to win. We will have to be very watchful because we do not want to lose illegally. This should be very clear. I think we are engaged in a very mature, civilized, and honest struggle. The truth about matters must be voiced and we must look for the truth for Mexico to be truly democratic. Nevertheless, we cannot accept that authoritarian systems once again impose on us formulas that cannot progress. Currently, the PRI will simply have a candidate; this candidate will have to win in the voting booths.

[Zabludovsky] As presidential candidate, if you lose, will you accept that you lost?

[Fernandez] First tell me if I lose in clean elections.

[Zabludovsky] Well, that is a matter of interpretation, right?

[Fernandez] Yes, but let me tell you, if I lose, honestly and openly in a legal process, I will accept it. Tonight I swear to you, on the Mother, that I will shake hands with Cuauhtemoc Cardenas or the PRI candidate—whoever wins. I have nothing against anyone and this is not a personal fight. Nevertheless, if the process is not clean and if on election day honesty is lacking, I cannot recognize the one who comes out as the winner, whether the winner represents the PRI or any other party. I believe that as a nation that is the big question we should all ask ourselves. It is just a matter of winning or losing honestly. It is just an effort on our part so that all Mexicans are able to seriously build pluralism. It's not just a matter of saying that because we won, the election process was fair, and that if we lost it was rigged. That is simply cheating. The moral honesty the people are demanding finds that simply intolerable. Nor can we abet distortions that unfortunately have not been completely eradicated. President Salinas' government has a great obligation to the Mexican people. In addition, there is something I would like to say publicly: I believe that the president is a man who can surpass what he has already achieved. Not only because of what he has been able to accomplish in the macroeconomic sphere, or because of aspects related to changing laws such as the 3d and 27th constitutional legislations, or having ended those laws against the churches or more concretely the Catholic Church, or because of having made enormous and positive changes for this country. However, if the president does not ensure a clean and honest election, his opportunity to enter history will be gone forever. I believe he has a tremendous opportunity and Mexico demands this of him. We must all make a great effort and have an election where all Mexicans can unite, but not through shady agreements, or through concessions where I will justify your actions in exchange for your support and in turn you give or take. No, simply let us all think of the Mexico that is about to come as well as all our children. We must also think of the children of those who carry out fraud.

[Zabludovsky] In the children of those who support fraud?

[Fernandez] That is correct.

[Zabludovsky] Can you expand a bit more on this issue?

[Fernandez] Of course, because I believe that the children of those who support fraud would have better opportunities if they had other types of parents. Those children also deserve an honest country.

[Zabludovsky] Listening to you speak, I sort of agree with some of the opinions I had about you yesterday after the PAN convention where you were nominated candidate. Some persons who have been following this political party's development, one of the most traditional parties in Mexican history—more than half a century in existence—still remember personalities such as [Manuel] Gomez Morin, and of course Maquio, and now they look at you as the third leader in this party's history.

[Fernandez] No. No. I believe it is all due to the enthusiasm of the moment. I would like to tell you one thing. In no sense whatsoever do I feel that I am less than any other. I said something yesterday during the convention and I would like to repeat it here: I only bow to God. However, I am also aware of my limitations.

I believe I cannot be compared to Manuel Gomez Murillo [Morin], who had an impressive background,

not only as founder of our party, but of many institutions, and also as university professor, rector, and creator of institutions. What about Efrain Gonzalez Luna, Adolfo Crysler, Efrain Gonzalez Morfin, Gonzalez Torres, Luis Alvarez, and so many others? Frankly, being in this position is challenging. I am confident, but I know it is not easy.

[Zabludovsky] How old are you?

[Fernandez] Fifty-two.

[Zabludovsky] Let's go back to general topics. Public security is a matter of concern for all Mexicans. This subject constantly emerges in talks. How would you reinforce a person's security so they can drive their vehicles, walk, and send their children to school without fear?

[Fernandez] Well, Jacobo, I believe this subject, as all major national problems, requires joint efforts from the authorities and citizens. No police in the world can fight crime without society's support. Society, however, cannot support the police when many times its members become hangmen. I believe the current attorney general and federal district attorney general, to give you two examples.... [changes thought] I will give you another one, to show you I also remember my people: Guanajuato Attorney General Juan Miguel Alcantara. I have given you three examples, two from the PRI government, and one representing a PAN government. These three individuals are doing a fine job. I believe they have made progress in this field. We must, however, create awareness that the police must be respected, but at the same time must also be worthy of that respect. I also believe the men in charge of public security and of the administration of justice should be honorable men. Of course, wage increases, fringe benefits, and support will help, but nothing will be achieved unless we create a culture—I must stress this again--in which the entire society respects and protects its policemen. I repeat: a society that respects and protects its policemen, its attorney generals, and judges; a society that will encourage and support them. We should be proud of our security agents. For this to happen, however, security agents must also do their part. The worst and most horrible crimes are still committed by policemen.

[Zabludovsky] What about rural areas?

[Fernandez] You have touched my weak point, because I have always been a peasant. My father was a rancher, and so am I. I love the countryside. I believe very few activities can bring man closer to God as does the countryside. In my opinion, our rural areas have been harmed in many ways by demagogic and corrupt governments. Mexico's rural areas have been violently raided for decades by rascals through populist policies. It was not until recently that conditions have been changed to give rural areas the treatment they deserve. The disastrous condition of the countryside is appalling. The erosion of land is tragic, and the destruction of our forests, rivers, aquifers, and natural resources that will hardly be recovered in 100 years is a very serious problem. In addition, we have eroded our peasants' souls, who have been the booty of dishonest politicians. Only recently are government policies beginning to show respect for rural activities, which should have always been the policy.

I want to make clear that we never opposed the agrarian reform as long as its purpose was distributing land held in a few hands. We proposed, however, that the agrarian policy be implemented honestly and quickly, because a century of land distribution is a century of insecurity, violence, crime, and disaster. Had we taken a decade to distribute land in the countryside based on technical and human concepts, instead of political and sectarian factors, our rural economy would be quite different today. I believe what our countryside needs most now that it has been liberated.... [pauses] to a great extent thanks to PAN proposals and modifications to Article 27, although this article is not perfect and could be improved within the legal framework. The important thing, however, is that today peasants enjoy the freedom they were denied for decades.

What would I propose for the countryside? In a nutshell, strictly considering the economic aspect, I would recommend policies that could finance the rural sector with timely, sufficient, and low-cost credits. We cannot compete with U.S. and Canadian farmers when the cost of money in those countries is 6 percent at the most, while here it is 30 percent or more if available. We cannot compete that way. In order to give those credits I would propose, among other things, a wider opening in the financial, stock exchange, and banking sectors to encourage competition, Jacobo. I agree banks should be in private hands even if there is an official development bank. There should be no oligopolies. The cost of money in Mexico is extremely high. With greater opening and competition, we would have greater financial resources, at a lower cost, which is what our countryside needs. We would also have to support rural areas with infrastructure such as roads and railroads. Of course, this will also require funds. We must make an effort, because if the government demands excellence from producers, it must also show excellence.

The problem in Mexico no longer is a need to change laws, but of doing things correctly.

[Zabludovsky] I hear you mention God with some frequency. I need not ask you if you are a believer. [chuckles]

[Fernandez] You are right about that, Jacobo.

[Zabludovsky] Do you agree with constitutional reforms pertaining to the church or the churches that were made?

[Fernandez] Yes sir. We also participated very actively in them. You might say: Throughout the program you have said that your party did or proposed this or that, however, it is the truth; all our opponents have admitted it. The great reforms made by the current administration

were based on PAN proposals made before the president was even born. We demanded the right to an education before the president was born. We demanded opening and freedom in the countryside and an end to legislation against the Catholic Church that obviously also affected the other churches. It was a wartime-type legislation.

I agree with those changes because today the churches may carry out their duties to assist their members and comply with their commitments with society without being bound or shamed by monstrous legislation. It was a shame to a people of free men and women to not recognize that the church had virtues while treating it as a despicable subject. An educated people could not allow this to continue.

I want to say something that the people must know. A man who already left PAN—Gonzalez Torres—said shortly before leaving that he had basically joined PAN not so much to discuss votes or the voting mechanism, but for two great values that are basic in his life: the right to an education and freedom of religion. Before leaving PAN he said publicly: Those things have already been achieved in Mexico, and I can die now in peace.

If they want to accuse me of being a Salinas supporter they can do so openly, because I could care less. The truth is that the major rectifications in these areas were already made. They involved proposals that we had presented. They were achieved also because of the sensibility of this government. Everyone must recognize this; only humbugs would not.

All churches play an important role. I am a believer and I would not in any way be a president that would attack the beliefs of citizens or their right to have no beliefs should I become president. I think that the political education that PAN and my parents instilled in me has always included respect for other people's beliefs and faith and their practices and customs. We must learn to do this in order to coexist in a pluralist atmosphere.

[Zabludovsky] Mr. Fernandez de Cevallos, the birth of PAN more or less coincided with petroleum expropriation. Not much progress has been achieved in this regard. Has your party also participated in the current readjustment of petroleum exploitation in Mexico?

[Fernandez] That is correct, we were not among those who proposed petroleum expropriation. As you noted, we could not have done that before being born. You are being sarcastic and I welcome it. If we had proposed the reform to the law and expropriation, we would have prevented—and we have always protested this—favoring the United States with all our crude.

We do not oppose expropriation to ensure that petroleum is ours, however—and this can be historically confirmed—expropriated petroleum has benefited the United States more than Mexico. In the past many companies exploited our petroleum. After proclaiming that petroleum was ours and that Lazaro Cardenas expropriated it for Mexicans, we have only drilled holes and sent crude to the United States. Most of our petroleum has benefited the United States more than Mexico.

Moreover, there were the policies that came afterward. Who benefited most from all crude exports that we later bought back in the form of very expensive products? The people? Or were they the cause or reason to drug [endrogar] a country and charge it with a debt that we still cannot handle? True, we have made progress in the area of debt rescheduling. That debt, however, should have never been generated. Remember presidents such as Lopez Portillo, who made disproportionate, absurd, and crazy statements such as: Let us prepare to manage abundance because we are infinitely rich. And what happened? There was dishonest management. There was an unimaginable theft of that petroleum, and especially in favor of the United States.

I see no difference between petroleum that is ours—if most of it goes abroad—and petroleum exploited by other institutions. Of course I agree that petroleum should be ours and that the government should have absolute control over it. It should, however, be handled rationally and always with honesty and not in the way these men have handled it.

Those who talk in Mexico about petroleum expropriation should tell the entire truth and not half-truths, because petroleum, which was expropriated for Mexico's sake, should have been for the benefit of Mexicans, but instead, it has benefited other peoples; it has enriched dishonest politicians. I do not say that expropriation has not benefited us. We have extracted so much from our soil that not getting anything in return would crown it all.

[Zabludovsky] Mr. Fernandez de Cevallos, what would you do with petroleum if you were president and taking into consideration that huge investments are needed not only to find new fields, extract petroleum, and send it to gas stations, but also for the petrochemical industry.

[Fernandez] I think, structurally speaking, that the basic petrochemical industry and the political and economic management of petroleum must be in government hands.

It is my opinion, however, that the petroleum industry should be open to the largest possible number of private and foreign investors. Just because others are drilling for our oil does not make it less Mexican, if, and I repeat, if we are only planning to sell crude oil. I think it would be wiser and more patriotic to have political control over our petroleum assets, while simultaneously producing benefits for the people. I would be in favor of offering plenty of opportunities for foreign capital and local private capital to invest in the petroleum industry, provided the state maintains clear and firm control over this resource. It is of vital importance to us and constitutes a national security issue.

[Zabludovsky] Mr. Fernandez de Cevallos, what do you think of the country's social services, including those

under the Executive Branch and those under the Secretariat of Health and other such agencies?

[Fernandez] The social security system?

[Zabludovsky] Social security. What do you think of the service?

[Fernandez] It is very difficult to be objective and fair on this issue. Let me explain. Social security is one of Mexico's most outstanding institutions. Here is another point in my favor: the social security system was proposed by PAN. Now, of course, they will also want to take credit for this.... [pauses] Look, let us refer to history and documented facts. Who fought for women's voting rights first?

[Zabludovsky] Who?

[Fernandez] PAN. Adolfo Ruiz Cortines recognized the enfranchisement of women 15 years after PAN had promoted, defended, and demanded it. There were already meetings about the woman's right to vote going on among PAN women, who were working to claim their right to participate in politics, even before PAN was founded in 1939. We were the pioneers of that cause. Of course, then came.... [changes thought] But, excuse me, what did the government say to that? It said: Under no circumstances whatsoever should women participate in politics, because the priests will end up directing their vote in the confessionals. I am sure you must remember this, Jacobo? You must excuse me, but this was a national issue. We had demanded women's enfranchisement since 1939. They replied: By no means, because the Catholic priests will manipulate their conscience and the women will take their husbands to vote for PAN. Then came Ruiz Cortines and it was approved. How wonderful, it is a success for all, but it was our proposal first.

We are also pioneers in the issue of social security. Allow me to say that the day you invite Juan Landerreche Obregon, one of the living PAN founders, one of the very few founders who still lives, you will learn that he was one of the main promoters of the profit distribution plan. He wrote progressive articles, essays, books, and proposals on the issue. We, however, were always labeled as advocates of the darkest causes in Mexico. Allow me to say, though, that the social security system is one of Mexico's major institutions. It is one of the most important institutions in Mexico, but it has suffered major setbacks. It has served millions and millions of Mexicans. This service, however, has not been backed by the level of quality that better management could have provided, instead of the political management it has received. The decisions many times responded to individual desires. A president would say: Social security will also cover all these sectors of society. The institution's resources were taken to provide these services, but more often they were used to purchase a sports club and many other unnecessary things, and to create many other fringe benefits. The chamber where we used to be is a theater. It is a grand convention center and the deputies worked there for years. Now social security is in bankruptcy and, as its board of directors says, requires major surgery.

This means big mistakes were made, pensioners and retirees received very unfair treatment, but it has also provided a very important service to the nation. When we put all this on the scale, I think we can find as much good as bad to be said about the system, as we set out on the enormous task of improving the service and getting all of us to appreciate these health and social security institutions.

[Zabludovsky] Would you, as the PAN presidential candidate, seek alliances with other parties?

[Fernandez] What for?

[Zabludovsky] To increase your strength.

[Fernandez] No. No, and let me tell you why. Look, Jacobo, let us talk about political parties that really are parties. I mean, why waste time on the little ones? I do not discard them because they are small, but because they are not true parties. They have no real independent structure and they never have and we all know what that means. I am going to address the PRI and the former PRI, the PRD. I do not see why we would want to create alliances to gain strength, especially when we want democracy. Democracy demands pluralism. There can be no pluralism when different forces join, amalgamate, combine, and deceive the community. Our experience in running with a common candidate, which has been extremely small and forced by the situation, has been very bad. We provide the work, we provide the votes, and they answer with insults and disqualifications. To run with the PRI is unthinkable, as this would be the denial of democracy itself. To run with the former PRI would be the same, because we have already seen how they behave. We also think our social proposal is quite different. We address issues that we find to be essential, which other groups, however, do not support, or defend, or harbor. We would rather be an option with its own outline, with a clear proposal for the community, and one the Mexicans can consider a civilized option for change and a rational option for the betterment and benefit for the community. If so, they should vote for us, but if we are not, then they should vote for any of the other alternatives. I do not believe we have plans to form any alliances to gain strength. I repeat, we have not become stronger with past alliances we have made, none of which I agreed with, by the way.

[Zabludovsky] So, if the people's vote takes you to the presidential palace, Mr. Fernandez de Cevallos, will you govern with only the members of your party?

[Fernandez] No, sir. We believe that no one could rationally believe such a government strategy would work. One thing is to base one's political struggle to reach an elected post on one's own programs and platforms—to present government plans and platforms describing the programs and projects one wishes to carry

out, for the voters to choose—and the government structure is quite another. All the bureaucracy, all the advisers, all the aides, and this important human team that makes it possible for the elected official to do his job, does not necessarily have to be of the same party. This is one of the county's disadvantages: to be a part of the government and bureaucracy, one has to belong to PRI. This is why they govern so poorly.

I believe that if there were a political awakening, an honest acceptance of the fact that only the best should be in those important government posts, independent of their political affiliation, we would have much better government. If I should reach the presidency, I think I would seek out the best Mexicans for my cabinet, even if they are not PAN members. It will not matter if they are members of PRI, of PRD, or of no party at all. I would also try to make it a team of men and women. It is not just one sector, such as men, that is capable of filling the more important posts. We must give the very educated and well prepared women in Mexico the opportunity they deserve. This is gradually happening already, but it should be a more dynamic process. So, I repeat, we must seek out the men and women whose moral quality, cultural level, and education qualifies them to do the job honestly and efficiently. I will never look at the symbol they wear on their lapel.

[Zabludovsky] Would you include any of the development plans or projects created by the PRI which are already in motion in your government plan, provided they are effective?

[Fernandez] Yes, of course, undoubtedly. I have heard some absurd proposals to disqualify and destroy everything to build a paradise. This is foolish. It is irresponsible for anyone to say such a thing, politically speaking. I think it should be the other way around. As I have been commenting for some time, what counts is to do things right and fully. For instance, what would I do with Pronasol [National Solidarity Program]? Maybe you would like to know.

[Zabludovsky] Why, yes. What would you do with Pronasol?

[Fernandez] Keep running it, but without a centralized program. Pronasol's disbursements for social projects would have to go on but through states and municipalities. This is why they are in the Constitution, so governors and their assistants, as well as municipal presidents with their council members, can manage these resources, so there can be no structure superimposed on the Constitution and managed from the center. That cannot be. Nor will I childishly and irresponsibly tell you that on the first day of government I would cut Pronasol access to all this money because it will be squandered. Of course, as part of an expeditious process of updating all those officials and making them responsible, I would propose that the country's resources be managed by constitutional structures instead of government programs. Anyway, these programs serve a good purpose, to support the poor. On the other hand, however, we are dealing with a modern and anti-democratic political control method. However denied by all, Pronasol is a politically tainted program to support PRI candidates. And Procampo [expansion unknown] is a Pronasol offspring. Money is being channeled to the countryside now that the elections are drawing near. When I consider these programs, I would like to propose a constitutional amendment so we can have a new president every year. We would have very good economic programs every year.

[Zabludovsky] Why every year?

[Fernandez] Every time elections, either local or general, draw near, measures are outlined to attend to the needy, improve the rural people's lot, raise salaries, and restructure important sectors of society. Just to make a joke, I say we should devise a constitutional method to have a new president every year. You would see how diligent these presidents would be.

[Zabludovsky] As far as I can see, this country's great problem is poverty. How would you deal with it—fiscal measures or a better distribution?

[Fernandez] Look, I think hundreds or thousands of measures can be taken, depending on each sector. However, I would not dare propose a formula, just as someone recommends that someone else use some specific remedy for his terrible headache. I would not recommend some penicillin shots or some drug to solve these problems. I think the structural change must take place through greater participation by society. Every community, however large or small, should participate in economic decisions to learn how to be responsible for the decisions made and the efficiency of public resources management. Of course, can you imagine how much could be done to lower poverty levels if there is a proper flow of sufficient and inexpensive money to create industries and thereby jobs and make exports? Can you imagine how much can be done for the countryside with much more protective measures than those available at present, which are virtually nonexistent?

Regardless of the intent, and despite certain government and Procampo openings, it is necessary to take many economic measures to strengthen our economy. There is no set formula, however. There may be fiscal stimuli. For instance, can we truly overcome poverty without improving education? I don't think so. And how can we improve education? Let us consider the possibility of private schools becoming credit subjects, that students can get scholarships as a function of their performance and not of murky moves or deplorable situations.

Small- and medium-scale industries should be stimulated so they can associate and buy their fertilizers and pesticides wholesale, thus saving money. One of the countryside's biggest problems is marketing. I can tell you because I am very close to the countryside. The tragedy of the peasants is that, when they have a good crop, the middleman sweeps away the profits because

there are no production or commercial associations. All of these improvements can take place basically through the trust in a government elected by the people. And I do not only mean the federal government. I also mean the municipal and state governments, as well as all of the organizations. We wish to make clear that unions, employers' organizations, and churches also will play a major role. It is a national reconstruction task. If I disappoint the audience, I am sorry because there are no simple formulas that can change Mexico for good. It is necessary to make a great effort, where all of us love Mexico in earnest, and understand that our passage through life is too short for us to squander it.

[Zabludovsky] Is PAN a leftist, centrist, or rightist party?

[Fernandez] I flunked geometry. I do not think it is a proper way to describe political parties these days, much less now that everything is tainted with centrism, where no one speaks of statist or totalitarian systems any longer. At present, no one can say in public that the forces of a free and absolute market can lead us to social justice. The scenario of political proposals has already become so dim and diffused that left, right, and center no longer have a particular meaning. Remember when left, extreme left, and moderate left were mentioned in the revolution and the Constitution? All of that was hogwash.

I think PAN is a humanist party, a party that believes in solidarity. We cannot overlook Efrain Gonzalez Morfin, whose campaign motto was always political solidarity, where every one of us should make a permanent and constant contribution to society. We are humans with individual but also social rights. We have duties to ourselves and society. For this reason, I think PAN leans to the center, right, or left because these descriptions do not fit us. We are a party with a humanist culture, with the conviction that man should be the beginning and end of all political activity as an individual in the society. Anyway, you are free to put me in the center, left, or right. The truth is that we are a party that thinks of man, his dignity, his earthly and eternal life, his condition as a rational and free being, where each of us is entitled to participate in the joint effort, an effort that should be a duty we cannot evade. The people's destination should be in the hands of the people, not in those of a few men.

[Zabludovsky] What is your forecast for the next presidential elections in Mexico?

[Fernandez] I am a poor forecaster. I run for the victory, not only for the party that I represent as a candidate, but for the Congress majority.

I would like everyone to know that for us to ensure a majority in the Chamber of Deputies and a majority in the Senate is of vital importance for us to really implement our political philosophy and our government proposal to the nations' reality. Of course, this will depend on several factors, and now please allow me to answer the sly remarks you made a while ago. Democracy's success and opportunities to those who really believe in it will depend significantly on the media, Jacobo. That is something for you to think about. We are going to need more opportunities, such as the one offered here today, which I really appreciate and sincerely value because of what it represents to us and especially to me as a candidate. I would like this to be something on a continuous basis where the people can get to know their candidates and their proposals. I believe that as the campaign progresses I will have to discuss all the issues in a more in-depth manner because by then I will have analyzed them more and will be more caught up in my party's platform.

Just the day before yesterday the party approved its platform, and ever since we have been caught up in all the uproar you are well aware of. As you also know, we also had the convention where thousands and thousands supported me. However, there were also those who criticized me for certain things. Therefore I will have to study the issues included in the platform and obtain advice from numerous persons who are not necessarily PAN members. We must be open if we expect our proposals to be really far-reaching and of value. I believe that if we have the opportunity to rely on the support of journalists, such as this one, we will able to advance significantly in the political process and the best will finally win.

[Zabludovsky] Mr. Fernandez de Cevallos, time has suddenly passed quite rapidly during this interesting interview which you have been courteous enough to grant us.

[Fernandez] On the contrary, Jacobo.

[Zabludovsky] Would you like to add anything?

[Fernandez] Well, only tell the millions of viewers who will most surely watch this program that my greatest aspiration as PAN presidential candidate is to carry out a very honest and clean effort for the good of Mexico. I believe that if, as a candidate, I am able to speak clearly to my adversaries, but with respect and good faith, and if I speak clearly to the people on PAN proposals, then I have kept my word. The rest is up to the people, and it will be up to them to decide with their vote, their participation, and conscience, what they want for their country as well as for their children.

[Zabludovsky] Thank you very much.

[Fernandez] Thank you, Jacobo.

[Zabludovsky] Thank you, good night.

[Fernandez] Good night.

[Zabludovsky] Diego Fernandez de Cevallos, PAN candidate for president of the Republic. Good night.

Popular Socialist Party Decides on Presidential Candidate

PA2711192293 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 25 Nov 93

[From the "Good Morning From Mexico" newscast]

[Text] The possibility of forming a national democratic alliance among the Workers Party of Mexico, PT, the Party of the Democratic Revolution, PRD, and the Popular Socialist Party, PPS, is becoming more distant with each passing day.

PPS Secretary General Indalecio Sayago Herrera has announced that the PPS will make Marcela Lombardo Otero its presidential candidate. Sayago Herrera said Marcela Lombardo Otero's candidacy for the 21 August 1994 elections will be officialy announced at the party's 19-21 December national convention.

During a telephone interview, Marcela Lombardo Otero also assured us that her presidential candidacy has been discussed, indicating it was not made public because of ongoing negotiations among members of the PRD-PPS-PT coalition.

[Begin recording] [Unidentified reporter] What possibility do you see for you to become this coalition's candidate—the candidate for the national democratic alliance—considering that the PRD already has named Cuauhtemoc Cardenas its candidate, while the PT has chosen Deputy Cecilia Soto?

[Lombardo] The PPS will continue to struggle for unity and for a national democratic front, like the one we had in 1988, in keeping with our program. But only if a common program is accepted will it be possible to form a coalition, as you call it, that can present one candidate. Nevertheless, the program must come first. We have never talked of individuals; the program has always come first. [end recording]

Free Trade Negotiations With Costa Rica Under Way

PA2611014293 Mexico City NOTIMEX in Spanish 2047 GMT 25 Nov 93

[Text] Mexico City, 25 Nov (NOTIMEX)—According to Costa Rican Economy Minister Roberto Rojas, following the approval of NAFTA Mexico has become the most attractive trading partner for Costa Rica. In an interview with a Mexico City newspaper, Rojas said that the Costa Rican Government would like to join NAFTA as soon as it signs the agreement it is currently negotiating with Mexico.

NAFTA—which will be implemented on 1 January 1994 following its approval by the legislative bodies of the three countries—includes a clause that will grant access to other countries as long as they meet the requirements for membership.

Rojas heads a delegation of Costa Rican officials who are negotiating a free trade agreement with their Mexican counterparts. The meeting began in Mexico City on 23 November and is slated to end 26 November. Rojas said that five points are being negotiated: rules of origin, the lifting of tariffs, agriculture, services, and copyright. He stressed that in Costa Rica's view these are the "most sensitive issues."

The economy minister said: "We are requesting flexibility on the rules of origin because we are a very small country in which the industrial sector is not fully developed. We do not produce raw materials; we import them. Consequently we need flexibility for our products so that they can qualify."

Regarding the lifting of tariffs, Rojas said that Costa Rica is willing to begin with a zero tariff for close to 75 percent of Mexican imports and hopes that Mexico can reciprocate with a slightly better tariff policy for Costa Rican goods.

Agriculture is a very sensitive topic for Costa Rica, he continued, in particular those products which are plentiful in Mexico, such as sugar, beef, poultry, and milk. Consequently, he said, Costa Rica would like a low tariff that will give its products access to the Mexican market. Rojas said: "Costa Rica exports those products, and would like to sell them freely in Mexico. Currently there is a 20 percent tariff for beef and variable tariffs for sugar and poultry, and to top it off, an import license must be obtained in advance." Fortunately, he pointed out, we are talking about small quantities that would represent only 1 or 2 percent of Mexico's consumption.

Regarding services, Rojas said that Mexico is interested in everything that has to do with communications, telecommunications enterprises, and construction companies—three areas in which Costa Rica is willing to give it preferential treatment.

Rojas noted that this fifth meeting with his Mexican counterparts is the penultimate working meeting, and that the sixth working meeting will be held in Costa Rica in early December. He emphasized: "Without a doubt, negotiations should end in December. Political campaigns are already under way in Costa Rica as well as in Mexico. Costa Rica will hold elections in February, and without a doubt we would probably have to renegotiate agreements already agreed upon."

Economy Minister Rojas believes the negotiations will end in December and that the agreement will be implemented sometime in the first quarter of 1994, noting that it cannot be implemented in January because it first has to be approved by the Costa Rican legislature. "Our Legislative Assembly is divided," he explained, adding: "the opposition has half of the votes and these agreements must be approved by consensus, that is, by two-thirds of its members. Consequently, this is going to require time, as it did in the U.S. Congress."

El Salvador

Cristiani Confirms Meeting With Clinton

PA2611204393 San Salvador TCS Television Network in Spanish 1900 GMT 26 Nov 93

[Report from the "El Salvador Telepress" newscast]

[Text] President Alfredo Cristiani today confirmed his participation in the Central American presidents' meeting with U.S. President Bill Clinton. The announcement was made after he presided over the new Armed Forces members graduation ceremony at the military school.

Thirty new second lieutenants graduated today at the Gerardo Barrios Military School and Captain Guillermo Reinaldo Cortes Air Force School. In addition to President Cristiani, the ceremonies were presided over by high-ranking military commanders, military attaches, and the diplomatic corps.

During his speech, President Cristiani urged the new officers to fulfill the role designated to the Armed Forces during times of peace. Following the ceremony, the Salvadoran president said that he will accompany his Central American counterparts to a meeting with U.S. President Bill Clinton.

[Begin Cristiani recording] It will be a working breakfast. The topics we will discuss deal mainly with trade, Central America's desire to join the North American Free Trade Agreement as soon as possible, and certain issues dealing with the General Preferential System and the Caribbean Basin Initiative, meaning there should be parity for Central American products through the Caribbean Basin Initiative until Central America has the opportunity to join the agreement. Those will be the main topics we will bring to the meeting. [end recording]

The president said he expects good results from the meeting to the benefit of Central American economies.

Office Opened To Help Demobilized Soldiers

PA2811233093 San Salvador Radio Cadena Central in Spanish 1230 GMT 27 Nov 93

[Report by Enrique Garcia; from the "Central" newscast]

[Text] President Alfredo Cristiani has announced the opening of an office that will be under the Presidency and Defense Ministries. This office will attend to demobilized Armed Forces personnel and resolve their compensation problems. According to the president, the group of demobilized combatants demanding a prompt solution to their demands is very small and are being manipulated by political groups.

[Begin Cristiani recording] We have decided that the Presidency Ministry and the Defense Ministry will jointly open an office to attend to demobilized personnel. We ask the former combatants to come to this office to see how their problems can be resolved, although some of them have opted to receive land. I repeat, although we did say that the demobilized would be included, it would be under the same conditions.... [end recording]

The president made reference to the statements by Diego Garcia Sayan, representative of Onusal [UN Observers for El Salvador] Human Rights Division, who said the evidence on the murder of the commander known as Carmelo was not acceptable. Cristiani said the statement was incorrect and did not contribute to the peace process.

[Begin Cristiani recording] Obviously, whoever wants to continue having doubts, as the FMLN [Farabundo Marti National Liberation Front] has done, and say: We are still not satisfied because you have to prove that the man who is being blamed is not linked.... [pauses] Well, I mean, if people do not want to believe, they will not believe. I believe we have to be sensible about this. [end recording]

The Salvadoran president announced that he will meet with U.S. President Bill Clinton shortly to discuss topics such as the inclusion of Central America in the Free Trade Agreement and the Caribbean Basin Initiative.

International Aid Needed

PA2711162993 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 24 Nov 93

[Report by Milton Grimaldi from the "Radio News KL" newscast]

[Text] The government today said it has not been able to compensate all of the demobilized Armed Forces personnel because the aid promised by the international community has not been released. Presidency Minister Oscar Santamaria explained that the international community had promised economic aid to help expedite the soldiers' demobilization.

[Begin Santamaria recording] The international community proposed the aid to establish conditions that would favor the prompt demobilization of the Armed Forces. Probably this [words indistinct] but what did this mean? It meant that we would be able to effectively manage this program, and this counters what you have asked me. Nevertheless, we accepted the international community's offer and its commitment to support the implementation of the agreements. We accepted this within the framework of the agreements that were to be met by 31 December 1991. We agreed and said: We welcome the international community's support, if this indeed is its purpose, objective, and intention. [end recording]

According to a government report, some 31,000 former soldiers have yet to receive compensation. The Legislative Assembly is currently looking at measures to benefit

the former combatants. The presidency minister said one possible means of furthering compensation payments could be the creation of a special government fund.

[Begin Santamaria recording] We have to review our resources as well as review measures that could be implemented without causing problems, because, as I said before, we do not have the necessary resources in hand. They would have to come from a special fund. Before we can do this, however, we have to review the government's finances and budget to ensure other program are not negatively affected by such a move. We do not want to create problems in other government programs. This is why, I repeat, we have to study the problem in a reasonable and conscientious manner. [end recording]

Therefore, a special fund could be used, but there is no money to create such a fund. Santamaria also said the government is making efforts to get the international community to release the economic aid it has promised.

FMLN Leader Villalobos on Investigative Commission

PA2711015293 San Salvador Canal Doce Television in Spanish 0300 GMT 25 Nov 93

[From the "Up-to-Date" newscast]

[Text] This week, the UN secretary general could formally announce the names of the persons who will form part of the commission that will investigate the existence of illegal armed groups operating in the country.

In this regard, FMLN [Farabundo Marti National Liberation Front] leader Joaquin Villalobos says this commission must have the authority to recommend administrative sanctions against the officials whose involvement is demonstrated. Villalobos insists that the Special Commission should have authority to recommend the application of administrative sanctions against the officials accused by the report.

[Begin Villalobos recording] The commission has a formal objective, which is to incarcerate those it finds guilty. But there is the possibility that it will not have enough evidence to send them to jail. In that case, if there is enough evidence, administrative measures could be recommended if they happen to be in positions that could compromise the country's security or the security of the [peace] process. [end recording]

It is expected that the Special Commission will begin work starting with the events that took place on 16 January of last year.

The leftist political leader reiterated his skepticism regarding the investigations into the death of former commander Heleno Castro, in the sense that he believes they have been centered on a single point.

[Begin Villalobos recording] The investigations must also be aimed at finding out who is politically responsible and not at proving there is no political responsibility. I mean, we are concerned by the fact that some forces are concentrating on proving that it is not so, as we believe no option must be sidelined. [end recording]

The former guerrilla commander, however, evaded the question as to why the People's Revolutionary Army has doubts about the investigations into Castro's murder even though international organizations, such as Scotland Yard and the FBI, participated in those investigations.

TSE Approves Registration of Democratic Convergence

PA2711163093 San Salvador LA PRENSA GRAFICA in Spanish 24 Nov 93 p 5

[Text]The Supreme Electoral Tribunal [TSE] has approved the registration of Democratic Convergence as a party and ordered the immediate dissolution of three leftist parties: the National Democratic Union [UDN], the Social Christian People's Movement, and the Social Democratic Party.

The three parties were operating independently and participated in the 1984 and 1989 elections as a coalition named Democratic Convergence. Once the elections ended, however, the parties reassumed their separate identities while the Democratic Convergence name was kept even though the coalition no longer existed. UDN leader Mario Aguinada Carranza said this made his party decide to ask the TSE to approve the merger of the three parties and to ratify Democratic Convergence as a single body.

The TSE's decision, issued on 22 November, was signed by all of the magistrates. The TSE also stipulated that its decision was to be published in the official gazette.

Aguinada explained that the UDN was not initially a member of the Democratic Convergence coalition but that it became a member once it separated from the National Revolutionary Movement [MNR]. He added: "From now on we will present ourselves as Democratic Convergence rather than a coalition of three parties."

MNR presidential candidate Victor Valle said he would seek to establish a coalition of all leftist parties to form a single front against the Nationalist Republican Alliance in the upcoming elections. In this respect, Aguinada said: "That is what we have always wanted."

Nevertheless, Aguinada argued that Victor Valle now appears to be the prodigal son, but perhaps "it is too late." Aguinada said he wishes the MNR luck, "although we will fight for the votes because this is part of the electoral battle."

Guatemala

Drivers Remove Mexican Border Roadblocks

PA2611142493 Mexico City NOTIMEX in Spanish 1005 GMT 26 Nov 93

[Excerpt] Guatemala City, 6 Nov (NOTIMEX)—Central American drivers have removed the roadblocks from the Mexican-Guatemalan border after receiving a 38-day immigration permit from the Mexican Government, thus suspending provisionally a $132 visa.

Marco Antonio Tovar, Mexican consul at the Guatemalan border town of Tecun Uman, told NOTIMEX on 25 November that traffic was restored following intensive negotiations between Mexican immigration authorities and Central American drivers.

Approximately 40 trailers blocked the border posts of Tecun Uman and El Carmen, Guatemala, and Ciudad Hidalgo and Talisman, Mexico, between 0600 (1200 GMT) and 1400 (2000 GMT) 25 November to exert pressure on Mexican authorities.

During a meeting in Tecun Uman between Rosario Uribe, immigration delegate in the Mexican State of Chiapas; Jaime Ovando, mayor of Ciudad Hidalgo and president of the International Drivers' Association (ATI); and Consul Tovar, it was agreed to facilitate the passage of border transportation.

Each year 17,250 Central American drivers cross the Mexican-Guatemalan border, after following various procedures and paying $132 to obtain Form FM3. They will now get a 38-day permit to cross the border with a passport or an ATI credential.

On the evening of 24 November, the Mexican Embassy in Guatemala announced the suspension of the $132-monthly visa, after Central American drivers blocked the border post. [passage omitted]

De Leon Holds News Conference on Supreme Court

PA2611161193 Guatemala City Teleonce Television in Spanish 1900 GMT 24 Nov 93

[News conference by President Ramiro de Leon Carpio with unidentified reporters in Guatemala City on 24 November; from the "Telepress" newscast; broadcast in progress—recorded]

[Text] [De Leon] ....as sources from the Supreme Court itself have informed, it is untrue that an appeal has been filed up until now, and the arguments that were presented there were personal opinions from the legal viewpoint. I believe they are not valid, because the time, date, and deadline in which the new Supreme Court is to be sworn in is given. The Supreme Court's term, which has been reduced by a year, is also given. It will now coincide with the Executive and Legislative Branches' four-year term. It used to be a six-year term, but it will now be a five-year term. [as heard] The truth is that this action should not be considered as too much. I believe that if an appeal is filed, the judicial courts will resolve it.

[Reporter] [Words indistinct]

[De Leon] I totally rule that out. If an action of this type were taken, if the commitment made before the witnesses of honor was not observed, that would be a trick played on the Guatemalan people, but I totally rule it out. Those who made this commitment know about what they are getting into. They know that the Guatemalan people are patient, tolerant, but everything has a limit, so I rule out that possibility altogether.

I am pleased to say—I think you may have noticed by my smiling face—that the crisis has been overcome. Of course, it is just the beginning of the purge, the beginning of the reorganization, and the beginning of a great change, but the political crisis has been overcome; it is a fact, and no one can deny it, except those who refuse to see the advantages and benefits of our achievements. The people wanted a purge, and there is going to be a purge in the three branches of government.

The people have asked for a reorganization, and there is going to be a reorganization in the three branches of government. The people have asked for a referendum, and they are going to get it even though a new mechanism has been adopted. The people will be able to freely express their will. If they want the deputies and magistrates to leave, they will vote yes. They will vote no for the deputies they want to keep. They will be able to decide if they want the same deputies or the same court magistrates to remain.

The most democratic way of doing it is to conduct this referendum in January. The Supreme Electoral Tribunal has apparently stated that the referendum could be held in, approximately, late January. We were not only able to overcome the political crisis, [words indistinct] to do it as we have been doing all along but now more at ease.

We are going to continue to take care of the people's economic and social demands. I confess that the people wanted this to be done faster, but the president and the people must accept the court's ruling. We must observe the law. As I said a few minutes ago, we chose perhaps the slowest path, but we chose the correct, legal, democratic, and constitutional path.

The Guatemalan people would not accept it if something or someone were to try to change the path we have chosen; consequently, I see no problem in that. The country is now politically calm, but there are many other problems that the government must face and try to solve.

[Reporter] [Words indistinct] the package of minimum reforms to the Constitution. Unions and political parties are rejecting what they have termed the deal that you made with the deputies; how do you view this criticism of the [words indistinct] constitutional reforms?

[De Leon] I think that there is a need for more information on the reforms. If you analyze it—just as the people do when they are given the explanation,—you will see that I began promoting a purge and fighting corruption from my first speech. I did so on behalf of the Guatemalan people, and I spelled out the minimum essential points that the constitutional reforms had to include. I talked about a pretrial hearing, thus changing the procedure. This is something that was changed in the reforms.

I also discussed the secret funds. I said that they had to be eliminated in all government agencies. This is an aspect that is also contemplated in the reforms. I mentioned a very honest budget for the nation, and it is included in the reforms. I spoke of a stronger Comptroller General's Office and a true autonomy for it, and it is contemplated in the reforms. I spoke of strengthening and reorganizing the Attorney General's Office, and it is contemplated in the reforms.

Consequently, the minimum reforms proposed by the Executive Branch and a few more that appeared later, such as a ban on the monetary board to authorize debts for the government and the nonfinancial agencies—which also involves control on public spending—were approved. These are reforms that I proposed in my first speech. They are minimal reforms for political reorganization.

What is the goal of these reforms? They are aimed at eliminating political impunity. For example, these are reforms such as pretrial hearings, the elimination of secret funds, a clean budget, etc. They are not overall but minimum reforms. This was not the right moment to change the Constitution completely. It was just a matter of dealing with political aspects.

A new system to choose Supreme Court justices was established in an effort to depoliticize this court. When I say depoliticize I mean [words indistinct] the Supreme Court justices, thus establishing a new system. The most important effort was, however, to end the presidential mandate.

You might recall that a few days ago there was talk that there would be general elections. No. That issue was not even discussed. Minimal changes were included, but as I said, more important is the fact that the people will be able to say yes or no to the end of a mandate. They will be able to revoke the mandate of the members of Congress and the Supreme Court. These reforms pave the way for a new Congress, elected through a popular and democratic vote, which is the ideal and feasible mechanism to do this.

In this way, we have met the people's demands. Three months ago, the people asked me for a purge, and there will be a purge in all three state branches. A few measures are yet to be taken in the executive branch, but there will be a purge in all three state branches. There will be a state political reorganization. Sinecures will be eliminated. Political impunity will be eliminated.

All of this will be achieved through reforms. A popular consultation will be held even though the 28 November referendum—a referendum in which the people had hoped to participate—will not take place. Let us remember, however, that the referendum was only aimed at dismissing the deputies and not their alternates. If the people say yes to these reforms, both will have to go.

The referendum that we had proposed, a referendum that was called off due to gaps in the Constitution and the laws, could have been held but with some uncertainty as to its binding nature. Had we held it, it could have led us to more difficult situations, but it did not take place, and now the situation is calm. The international community was not only satisfied but pleasantly surprised and congratulated the Guatemalan people and the country's democratic system of government.

Serious organizations in Guatemala have also understood this situation, which was the best thing that could have been done.

I profoundly respect what certain people's organizations have expressed in the sense that more reform and structural changes are needed. This is just the beginning of the end to which Guatemalans must arrive. This is just the beginning, but we are getting there gradually. What was asked from the president has been granted, if you analyze the situation carefully. We will achieve the restructuring, purge, change, end of Congress mandate, and end of the Supreme Court mandate.

Following this, I believe and understand that regarding what the people's organizations and the very church have expressed, this is the first step. We must sit down to reach a great national accord, which I will convene soon to see what changes occur in Guatemala. Changes must continue. As I said before, this is only the beginning of a great change that is beginning to take place in Guatemala; it is the beginning of that great peaceful revolution that began after the 25 May events.

[Reporter] How will you support the Urban and Rural Development Ministry after learning that [words indistinct]?

[De Leon] It has not been learned that it will not be passed. I did not....

[Reporter, interrupting] Union leaders said [words indistinct]?

[De Leon] No way. Today we will hold a meeting, and I will report to them what have been the results of the evaluations. What I am doing is evaluating the situation, but the idea the president has—that is why I spoke about state decisions, decisions that may apparently have a political nature, to use political terminology—is to trim the state, so to speak, and make it more efficient. That is why we are conducting an evaluation.

I am aware of the role played by the Development Ministry in specific areas, as well as the role played by

specific officials and employees, but the evaluation will continue. Depending on this evaluation, these workers will be incorporated into specific institutions. For instance, the Urban and Rural Development Councils need the experience and capacity of many of the officials and employees who work at the Urban and Rural Development Ministry. These workers will most likely be incorporated into other institutions or funds, particularly the Solidarity Fund, Regional Urban and Rural Development Councils, etc.

The trend is to try to make the state more efficient by reducing its size. In this case, the Urban and Rural Development Ministry is being evaluated, and depending on the result we will relocate qualified employees in other institutions. This happens in every institution. We will do this not only in the Urban and Rural Development Ministry but also in all public administrations. This is what the people of Guatemala have asked me to do. Purging does not only mean that certain individuals must leave; it means conducting an analysis. We will also analyze the situation of other government entities to try to make them more efficient. That is the president's obligation.

TSE Calls Referendum on Constitutional Reform

PA2711212393 Guatemala City PRENSA LIBRE in Spanish 26 Nov 93 p 2

[Text] It has been officially announced that the Supreme Electoral Tribunal (TSE) yesterday called a referendum on 30 January in which citizens will react to over 43 constitutional reforms, among them one that will allow the legislative elections to be moved up to 1994. TSE President Fernando Bonilla said the referendum will ask one question: "Do you approve of the constitutional reforms sanctioned by Congress on 17 November 1993?"

The package of reforms was approved with the Catholic Church's mediation by President Ramiro de Leon Carpio and the 116 congressional deputies to "end" a three-month long power struggle over how to "purge" the main branches of state.

The main reform deals with the reduction of terms for the president, vice president and deputies, who will be elected for four years. The number of congressmen will be reduced to between 90 and 100, 16 less than exist at present, although this will be decided by the TSE based on the minimum number of citizens in an electoral college. The Supreme Court of Justice, which heretofore had nine members, will now have 13 members, a mandate of five years, and will be elected by Congress from a list that will be proposed by a commission formed by the deans of the law schools, the Bar Association, and university rectors.

The reforms underscore the way Congress operates and deputies' duties; it establishes new terms for ordinary sessions and the medals that can be bestowed by the legislators, who will be allowed to seek reelection and hold public office. [sentence as published] The reforms also revise the Congressional Internal System Law and establish deadlines for the Legislative Chamber and president (who has veto powers) to respond to legal initiatives. To legally prosecute deputies, the Supreme Court of Justice and not Congress will convene pre-trials against legislators, thus doing away with "parliamentary immunity."

With regard to the Executive Branch, the reforms establish that the president, his ministers, and other officials "are prohibited from favoring any political party" during their term and must present a report every four months concerning the execution of the national budget. The president must report to congress the purpose and results of his trips outside national territory 15 days after the trip's conclusion, but he is exempted from requesting permission to leave the country as has been the case until now.

The chief of the Public Prosecutor's Office and the attorney general will be appointed by the president, but the comptroller general (National Audit Office) will be chosen by Congress from among six candidates.

Regarding municipal governments, all mayors will be elected for four years (not five years or 30 months as is the case at present) and will receive 10 percent (and not 8 percent) of the state's regular income budget for health and education programs and for infrastructure projects.

In the area of economics, the Bank of Guatemala will be banned from granting direct or indirect financing to state, decentralized or private institutions, or from purchasing the stocks these institutions issue or negotiate on the market. The Finance Ministry will not be allowed to include in the General State Budget any confidential expenses that are not subject to supervision or have to be confirmed, or to transfer investment funds to foreign debt payments.

The reforms will go into effect 60 days after they are approved by the citizens and 15 days later the TSE must convene parliamentary elections to elect a new Congress that will remain in power until 14 January 1996, when Ramiro de Leon Carpio's term also ends.

Participants in the referendum will include 4.5 million registered Guatemalans of the total population of over 9 million, over 60 percent of whom are members of 23 Indian ethnic groups.

Human Rights Commission Denounces Violations

PA2911001093 Madrid EFE in Spanish 0753 GMT 27 Nov 93

[Report by Mabel Montoya Barragan]

[Text] Mexico City, 27 Nov (EFE)—The Human Rights Commission of Guatemala (CDHG) has accused President Ramiro de Leon Carpio of complicity with the Army in human rights violations against the civilian population.

CDHG Director Carmen Camey told EFE that five months after de Leon Carpio assumed the presidency, the number of human rights violations has increased at an alarming rate instead of decreasing. "In Guatemala, there is a governability crisis that could lead the country to a dangerous increase in militarization," said the leader. "When he served as human rights ombudsman, de Leon Carpio accused the Army of perpetrating numerous human rights violations, and now he is immersed in that apparatus and his capacity for action is limited," said Camey.

She added that in Guatemala death threats have multiplied, as a way of immobilizing the population, and that so have searches of headquarters of organizations for the defense of human rights. Such was the case in the attack on the offices of the Mutual Support Group (GAM) of relatives of prisoners and missing persons, during which the Army destroyed all their files. "The military has tried to destroy all evidence that may involve the Army's high-ranking chiefs because they fear that a truth commission, such as the one in El Salvador, could be installed here," stated Camey.

With regard to the internal armed conflict, she said, the government has assumed a particularly alarming policy, which has led to the stagnation of the negotiations with the guerrilla movement of the Guatemalan National Revolutionary Unity (URNG). Camey accused the Army and the government of maneuvering to sideline Monsignor Rodolfo Quezada Toruno from the mediation and present an ambiguous government [peace] proposal to the URNG in an attempt to undermine the negotiations. "The government means to disavow the legitimacy of the URNG as a counterpart in the conflict by considering it another sector of the Guatemalan society, and intends that the proposal it presented be approved by other sectors to make it seem like it gathers the interests of the Guatemalan population," she said.

What the government is requesting is not a negotiation, but a surrender and capitulation of the URNG, a unilateral cease-fire that would undermine the agreements reached with the previous government, said Camey. She added that de Leon Carpio has frustrated the hopes for change of the people's organizations that supported him to step up to the Presidency.

The Guatemalan human rights leader described as "worrisome" the presidential decision to not dismantle the Civilian Self-Defense Patrols (PAC), considered to be responsible for the majority of the human rights violations, until the armed conflict concludes.

The CDHG yesterday launched a campaign to stop the country's militarization, specially in the town of Santiago Atitlan where there was a massacre three years ago, and now they plan to reinstall a military garrison. Camey said that the establishment in 1980 of a military garrison in that town was the beginning of an intimidation and terror campaign against the civilian population that culminated in the massacre of December 1990, in which at least 15 persons died and another 18 were seriously wounded.

This event could not be internationally hidden and the pressure from abroad forced the dismantling of the military base, where a clandestine cemetery was later discovered. "The struggle against the reinstallation of a military detachment is an important part of the struggle for the country's demilitarization and the strengthening of civilian society which has been trampled by the Army so many times," said Camey.

The neighbors of Santiago Atitlan sent de Leon Carpio a letter asking that the garrison not be reestablished, but they have not received a response. Therefore, said Camey, we urge the international community to intervene in favor of the Guatemalan population, which has been the victim of so many abuses. "The Guatemalan people are very desperate, there have already been many protests, and, in light of the authorities negligence, they have already begun to take justice into their own hands," said Camey.

According to CDHG statistics, since de Leon assumed the presidency, 37 extra-judicial executions, 16 cases of torture, 22 [assassination] attempts, and 123 arbitrary arrests have been registered in Guatemala.

Army Launches Counterinsurgency Plan

PA2711031893 Guatemala City PRENSA LIBRE in Spanish 23 Nov 93 p 16

[All quotation marks as published]

[Text] Colonel Alvaro Rivas, Armed Forces chief of information, disclosed yesterday that specific orders to launch a strategic plan that will allow combating and cutting down activities by the National Guatemalan Revolutionary Unity (URNG) had been relayed to the commanders of the various zones and military detachments located throughout the country.

Rivas made the announcement after condemning the destruction of the Agua Blanca bridge carried out early on 21 November by the guerrillas. The attack resulted in cutting off access to a 90-km stretch between Guanagazapa, Escuintla, and Taxisco, Santa Rosa.

The Armed Forces spokesman added that the strategy includes implementing operations in those communities where there are more guerrilla activities. He acknowledged, however, that it is "a bit difficult" to maintain control over the various communities since the guerrillas know the region quite well.

He added that that type of attack (destroying bridges and electrical towers) is somewhat "ridiculous and inconsistent, as well as being contrary to the alleged political willingness the URNG leaders say they have to end the armed conflict, which they have announced throughout the world.

Peace, Rivas emphasized, is accomplished through good intentions and not by political campaigns, which the "so called URNG leaders" have been doing so far. He added that peace is obtained even less by destroying the country's infrastructure.

Congress Approves 1994 Budget Blueprint

PA2711183893 Guatemala City PRENSA LIBRE in Spanish 26 Nov 93 pp 4, 106

[Excerpt] Following a debate at yesterday's ordinary session, in its first reading and on a vote of 66 deputies, Congress passed the national revenues and expenditures budget bill for 1994. The budget will total 8,850,665,200 quetzals.

The Finance Committee draft bill indicated that, while defining the budget as the instrument by which the government will implement its agenda, the budget's basic guidelines are as follows: 1) to consolidate democracy and the rule of law; 2) to struggle against poverty; 3) to help transform the means of production; 4) to protect the environment; and 5) to modernize institutions.

The bill, which is still under review, contains 36 articles in the following chapters:

Chapter 1—On the approval of revenues: Some 80.3 percent of all revenues will be derived from regular revenues and 19.7 percent from capital revenues.

Chapter 2—On the approval of expenditures: in keeping with the structure of the government's overall program, expenditures will equal the amount of the total budget, and, of this amount, 27.8 percent is earmarked for programs, 22 percent for current transfers, 18.8 percent for direct investment, 8.7 percent for capital transfer programs, and 22.7 percent for public debt programs.

Chapter 3—On the execution of capital revenues: In this area, the document states that, with the concurrence of the Monetary Board and the general secretary of the Economic Planning National Council, it is appropriate to authorize the Executive Branch to issue, negotiate, place, or amortize treasury bonds of 450 million quetzals to complete the financing of the investment program, along with $250 million to pay for the public debt and investment programs.

Chapter 4—On the execution of operational expenditures: While remaining within the limits of the government's austerity policy, the budget allows for salary adjustments, because the budget bill does not contain any reference to salary policy.

Chapter 5—On the execution of investment expenditures: Actual and financial investments should fall in line with the government's program. Congress is to be informed of the execution of financial investment programs through the Finance Ministry.

Chapter 6—On servicing the foreign debt: Timely payments on domestic and foreign public debts are guaranteed through various mechanisms.

Chapter 7—On matters pertaining to general and special provisions: This chapter regulates those control provisions not included in the preceding chapters and that guarantee the proper use of government property and obligations assumed by the government.

In one of its "whereas" clauses, the bill explains that the estimates of resources to finance expenditures are technically well-founded and that the outline of current and capital revenues depicts a prudent and reasonable balance. [passage omitted]

Honduras

High Court Strikes Down 'Special Ballot' in 28 Nov Vote

PA2711141893 Panama City ACAN in Spanish 0624 GMT 27 Nov 93

[Text] Tegucigalpa, 26 Nov (ACAN-EFE)—Today, the Supreme Court of Justice, with the support of justices affiliated with the ruling party, struck down a special ballot system approved by the National Electoral Tribunal with the backing of the opposition and which was going to be employed in Sunday's general elections.

The controversy over the special ballot, which would have allowed citizens not listed on the voting registries in their respective districts to vote, prompted the two major parties—the ruling National Party of Honduras [PNH] and the opposition Liberal Party of Honduras [PLH]—to exchange accusations of election fraud. By way of the special ballot, citizens who had problems because of errors in the lists could vote in their districts by placing their identification cards in envelopes along with their ballots. This way, it could be verified later whether they were registered in other districts.

The Liberals, who have a slim lead over the PNH in the polls, accused the government of manipulating the electoral lists and of registering PNH sympathizers in areas outside those in which they reside. In turn, the PLH demanded the special ballot be allowed to guarantee the right to vote and to prevent fraud.

The PNH, however, which had filed the appeal against the "envelop ballot"—the appeal that was accepted by the Supreme Court—stated that this system is not mentioned in the Electoral Law and would therefore pave the way for fraud and challenges. PNH presidential candidate Oswaldo Ramos stated today he was "extremely satisfied" with the court's ruling.

Meanwhile, however, PLH presidential candidate Carlos Roberto Reina described the decision as an "act of partisanism" intended to help the ruling party. He added that, following the court's line of reasoning, the 1989 elections won by the PNH should be annulled because a special ballot was permitted at that time.

This setback notwithstanding, Reina reiterated his decision to continue with the electoral process, and he said he was still convinced he would win. In Sunday's elections, the fourth since democracy was reinstated in Honduras in 1982, 2.7 million voters will elect a new president, deputies, and municipal authorities.

Liberal Party Candidate Reina Interviewed

PA2611165293

[Editorial Report] Tegucigalpa Voz de Honduras Network in Spanish at 1145 GMT on 25 November, during its "Morning Paper" newscast, broadcasts live a 40-minute interview with Carlos Roberto Reina, the Liberal Party's presidential candidate, by an unidentified reporter at the studio.

Reina starts by making an opening statement. He says that "credibility is the backbone of the 28 November elections. Voters must have trust in their vote, which is an extraordinary weapon of democracy. They must believe in their vote. Voting is an act of trust. Citizens give candidates a solemn vote of trust. By voting for their candidate, citizens express their hopes and visions about the future."

He adds that people must trust that the elections will help solve society's most pressing problems. Reina says that citizens must "scrupulously examine the candidate's background. Voters must adequately inform themselves of the personal and professional backgrounds of those who aspire to elected office."

The presidential candidate says that a person can only have one set of moral values: "It is not true," he says, "that a man can have a separate set of moral values for his private and public lives." He adds that a candidate "whose moral values contradict those of society cannot guarantee social harmony and common well-being, a value that is so often mentioned but so infrequently analyzed and described." He says: "The candidates' personal background is the basis on which citizens can support credibility, which is the key value I have mentioned before. Without credibility candidates will be unable to convince, and if they cannot convince, they cannot win." Reina says that his background has always been open for analysis.

When asked how he would lower basic staple prices without affecting national producers, the presidential candidate says that "economic policy is basic, because it relates to the model that will be applied to guide the country's economy. We would apply economic measures with human faces. What do we mean with that? We would restore the purchasing power of salaried workers. Economic policy is always the expression of political doctrines. Moral values are the keystone of the common good, as we just said. A government must essentially stand, however, as a moral guide to ensure that the economy adapts to those ethical principles. People must not be treated with cold figures from a desk but with attitudes and results that have a bearing on their lives."

Reina says that to achieve this it is "necessary to reach an agreement, a social pact, a consensus, a concerted effort to ensure that the measures will not hit those who have already been hard hit." The Liberal Party candidate says that party doctrine should focus on man, on helping him. He adds that "the main basis of our Liberal model, as we have called it, will be the correct fusion of two essential factors, on which the launching of our development can rest: agriculture and industry."

He argues that a strong economy will effect overall improvement, and thus purchasing power and living standards will also improve. Reina warns, however, that "if we fail to make general corrections, our promise to lower prices will not materialize." The candidate says that "as long as there is corruption, we will not achieve a solid and stable economy nor will we be able to implement adequate price controls. Corruption is the AIDS of our society, the cancer that is undermining all levels of society. We must focus on this. Prices will reflect the economy."

When asked whether he favors price control measures, Reina says that "there could be emergency measures to achieve those goals, but they are never the best option. The best scenario is to achieve stability through overall improvement. Sometimes price controls yield results, but they must be implemented practically." He adds that certain institutions created to control prices have been plagued by corruption and cites examples of several such government institutions.

The reporter says that "certain businessmen argue that Roger Marin and Hugo Noe Pino, who are members of the Liberal shadow economic cabinet, are theoretical technicians and that it would be a mistake for them to head the country's economic policy." Reina answers that "you are touching a very sensitive and crucial issue" and adds that "the two people you mentioned are excellent. I think that we will never be able to find an absolutely ascetic person, because if he is not accused of being a theorist, he could be accused of representing personal interests, which is worse."

Reina then says he has not yet made a decision regarding the individuals who will occupy posts within the economic cabinet and mentions that he will also have a social cabinet, adding: "I have offered Mr. Jorge Huezo Arias the Finance Ministry so that he can prepare himself in ensuring the people that if he heads the Finance Ministry, there will be no irregularities, dubious affairs, or incompetence." He says that choosing those

individuals is not a waste of time, because the serious thing would be to win the elections and not have anyone ready.

The interviewer asks about Reina's plans to increase national production, and he answers: "Strengthening the country's economy is essential. There are immediate measures that must be taken, and they are related to the role the state must play. For instance, we must eliminate that euphemism of the customs value assessment [factor de valoracion aduanera] and substitute it with a fair and realistic parity of the exchange in lempiras which can only be modified through stricter means than a simple decision from the Central Bank." Reina adds that a calendar must be established for reducing the banking cash deposit, as the current one has paralyzed the economy. The liquidity produced by those measures must be used for investment in the private sector, including the microenterprise and even the informal economy. He also says that the Central Bank must only issue the amount of bonds established by law and not to cover the budget deficit.

Reina says they will drastically cut back on the government's superfluous spending, such as unnecessary trips and excessive publicity; unnecessary employees must be avoided and eradicated so that, when the economy gains strength, there are enough funds for investment and industrialists get to feel that the state is their friend and ally.

The presidential candidate then states: "We will immediately gather the Superior Council of Economic Planning, with the participation of the representative sectors of our society, to draft policies that will guide the state's activities and define the mechanism for the concerted effort of the sectors."

The journalist states that Reina spoke of eliminating the customs value assessment and the parity of the lempira and asks whether this means the exchange will be 2 lempiras per dollar. Reina responds: "This depends on the strengthening of the economy. We made the absurd mistake of putting the country's economy in favor of the parity of the lempira. Parity must emerge from the reality of the economy, as it improves. If the economy gets stronger, the currency is strengthened, but near the end of this government's term, we are witnessing a drama. The country's economy has been paralyzed, because the banking cash deposits have been increased to keep the dollar from increasing in value, or as they say skyrocketing."

The journalist asks about Reina's campaign promises regarding housing, which his opponents called demagoguery. To this question, Reina answers: "Concerning the 50,000 houses, it is not demagoguery. Demagoguery is a form of lying, and I have never been a liar. The project we have studied and discussed foresees the construction of approximately 1,000 houses per month; that amounts to some 50,000 houses over four years."

Reina then states that he recently met with members of the Armed Forces and that they told him that it was essential to have a civilian Police and that his brother, Jorge Arturo Reina, could help in this, "because he is a close friend of Spanish Prime Minister Felipe Gonzalez, and through him we can receive great help."

The interviewer then asks Reina to send a final message to the listeners of Radio HRN La Voz de Honduras. Reina thanks the interviewer for inviting him, asks the Honduran people to vote with their conscience, and says: "I have reiterated my commitment and promise to defend the values I have displayed during this and other campaigns. That verdict from the people is something we await anxiously—the truth from the people." The presidential candidate concludes by saying that the institutions are firm but that there are still problems in the electoral process and that he hopes "Honduras' history will allow me to contribute, in a more efficacious way, to the development of the ideas of the moral revolution, which are very noble for our people."

President Callejas Interview on Eve of Elections

PA2811033593 Tegucigalpa Voz de Honduras Network in Spanish 0145 GMT 28 Nov 93

[Interview with President Rafael Leonardo Callejas by Rene Zepeda; place not given—live]

[Text] [Zepeda] At this moment the president is touring different sectors of the capital to observe the political panorama. Mr. President, what do you think of what is going on in the capital.

[Callejas] I really am very satisfied. The electoral process looks calm. There is motivation, joy. We will go to the ballot boxes tomorrow in peace and tranquility. I hope thousands and thousands of Hondurans will go to vote and, thus, give their support to Honduras and democracy.

[Zepeda] What message would you send to the Honduran people at this moment, barely eight hours before an important election?

[Callejas] That there will be absolute and total respect for the result of the voting; that their will, evidenced through the suffrage, will be handled with the consideration and respect all Hondurans deserve.

[Zepeda] [Words indistinct] the panorama looks apparently optimistic in all sectors; there is no violence; your calls have been positive for the Honduran society.

[Callejas] Hondurans are very aware of the fact that democracy means respect for the vote of the majority. Therefore, we go to the ballot boxes in peace and tranquility, with security granted to us by the fact that the next president will have the legitimate right to govern as a result of the suffrage to be exercised tomorrow. That is why you can see the happiness and enthusiasm in the streets and we hope it will be that way tomorrow.

[Zepeda] According to you, the panorama is very encouraging but, according to the president of the National Electoral Tribunal [TNE], all the sectors said today that there were irregularities regarding the issuance of [words indistinct]. How do you see it?

[Callejas] The responsibility lies with each citizen who wants to leave everything for the last minute. The problem is that there is no postponement for the elections. It is not like registering a car, or taxes, which can be postponed by a decision from Congress or the Executive Branch. The date is final and that it all there is.

There are hundreds of persons who request their I.D. document [cedula] on the very last day, even though they know that it should be requested in a timely manner. We should not have these long lines, but exactly the same thing happens before each electoral process. There is desperation, the parties demanding, citizens complaining, and the poor officials of the TNE and the registry are pressured because they know they do not have the time or capacity to tend to everyone. However, this is recurrent and, regrettably, is part of our behavior, in the sense that it is part of our lack of discipline with regard to organization.

[Zepeda] Mr. President, you have visited the vote counting centers of the National Party of Honduras [PNH]. How do you compare them to the campaign of [words indistinct]? Do you think the logistic support for the administration of the PNH is working?

[Callejas] From the perspective of the PNH, the organization is much better than in 1989. I admire the handling of the transportation, the information centers, the vote counting centers, and the accommodations for the persons who will go vote. This has been an extraordinarily effective task.

[Zepeda] At this moment, the blue machinery is confronting the red machinery. However, you are the president of the Republic and of all Hondurans, what is your message for these people involved in this campaign?

[Callejas] That they should all come to the ballot boxes so that everyone votes; that my honest will, as president of the Republic, is that tomorrow night I will be able to congratulate the candidate that is elected by the people; and that this person may have been elected by the citizens due to their authentic will.

[Zepeda] [Question unheard]

[Callejas] I will be at the centers of the PNH until approximately 2300.

[Zepeda] Thank you very much, Mr. President.

Discua on Narcotics, Elections, Institutions

PA2611225293 Tegucigalpa Voz de Honduras Network in Spanish 1430 GMT 26 Nov 93

[Interview with General Luis Alonso Discua Elvir, Armed Forces commander, by unidentified interviewer; place not given; broadcast in progress—live]

[Text] [Discua] ....has given through the interinstitutional organization for the struggle against drug trafficking. I want to tell you that Dr. Carlos Sosa Coello has played a very important role, and he is a very dynamic person who has assumed that responsibility at the government level a long time ago. That helps the police, intelligence, and narcotics organizations work together and join efforts and achieve.... [pauses] The achievement of goals is not fully possible. This is quite difficult given the amounts of money drug traffickers earmark to ensure that their merchandise reaches its destination. They execute a series of costly actions that are expensive for a country like Honduras.

Consequently, we have assumed this task with our own means and with the support from friendly countries, even though the task is not easy. I repeat, authorities that counter drug-trafficking activities can become the target of slander because drug traffickers can manipulate the media, and they spend large amounts of money to create a negative image about any authority that represents an obstacle to their maneuvers and the transportation of their merchandise; therefore, all of us involved in this situation are prone to face slanderous campaigns paid and finance through drug-trafficking activities.

[Interviewer] Do you really think that Honduras can change from being a country that is part of the drug-trafficking route to being a drug consumer country?

[Discua] Yes. That can happen any time because, as I previously explained, it can be infiltrated by drug consumption. Each social group is prescribed its corresponding dose; in this case we can talk about drugs that are extremely cheap—crack, for example. It is aimed at poor classes, which lack the capability to purchase more expensive drugs. That is the most dangerous, deadly, and mortal drug that young people can use. That is why I am now issuing an appeal to parents. I urge them to control their children, particularly their teenagers, because we understand that this drug is already being sold in Honduras, mainly in heavily populated urban areas.

Parents who have adolescent children, therefore, should be very careful to know where their children are and with whom they are associating; otherwise, children become dependent on drugs and become accomplices of narcotrafficking. Then they are used as mules or simply as drug peddlers. For the middle-class and high-class sectors there is another type of drug that is much more expensive. This is dangerous, because it undermines the family at all levels. This could lead Honduras from being a bridge country to a country that depends on drugs. Logically, this is very bad for any country.

[Interviewer] Deputy Carlos Arguello has expressed his fear that our country may be laundering drug money. What can you tell us about this?

[Discua] Anything is possible. When there are large economic disbursements overnight, this would not necessarily have to be laundered dollars or laundered money, as other circumstances could be involved, in countries that have served as bridge countries, where they have established a solid structure, they make fabulous investments that might be used to launder money. That is very dangerous, as I say. We are constantly attending seminars, courses on this topic. I could not say that this is the situation in Honduras, although it could very well happen. We are in that transition period. Now that we have information that the drugs are possibly being consumed here, we cannot rule out the possibility that this might be occurring.

[Interviewer] What support do the Honduran Armed Forces receive from the DEA and Interpol in the struggle against drug trafficking?

[Discua] The support we receive from these two international agencies is very broad. As I said before, it is very difficult for us to face this problem with the means we have. Those two agencies have supported us with equipment and training and have even executed investigations in our country with very positive results, which has made it possible for us to continue our struggle.

[Interviewer] How are military relations between Honduras and the United States?

[Discua] Our relations are excellent, as always. We have always maintained cordial relations, based on mutual respect. The United States has always supported our institution in every aspect; therefore, relations have always been the best and based on mutual respect.

[Interviewer] The famous F-5E planes are part of the U.S. military aid to our country. Some sectors are demanding those planes be sold so those funds can be invested in other programs that will benefit the Honduran people. What are your comments on that? Is it possible to sell those planes?

[Discua] The process of selling any equipment purchased with funds received from the United States as military aid is a very complex and difficult. At present, the F-5E aircraft are being used as intercept planes. With the assistance of friendly governments we have installed radars on the Atlantic and Pacific coasts to detect planes overflying our airspace. Although drug traffickers are always trying to evade those radars, I believe the F-5's have constantly supported operations because, while radar can detect aircraft, the F-5's are normally used to intercept those planes and force them to land. The F-5 is a modern aircraft, which, as I said, was purchased with Military Assistance Program funds, and maintenance costs are also covered with U.S. Government assistance. At present, those planes are being used, so any decision on this matter will be made in the future.

[Interviewer] We have learned that the United Nations has commended the Honduran Armed Forces for the good performance of Honduran soldiers participating in peace missions in Western Sahara. There have been reports that our soldiers could be asked to participate in other missions in the world. What can you tell us about that?

[Discua] Recently, Honduras has joined world peace missions. We currently have a contingent in Western Sahara. I must say, with great satisfaction for the Honduran people and the institution, that they have shown great responsibility in complying with their mission. At this time, the commanders of the units that are currently in Western Sahara have expressed their satisfaction with the job they have done, the professionalism they have shown, and the capabilities that we Hondurans sometimes fail to recognize. They have done a fine job. Therefore, we have received notes on the possible participation of Honduran troops in other parts of the world where peace missions are required.

[Interviewer] General, any reports on possible national security threats?

[Discua] No, at this time we are expecting no threat.... [pauses] Remember that there are always latent threats lurking over any state. The Armed Forces, as an institution whose duty is to defend democracy, national sovereignty, and our territory in general, assesses the situation and constantly evaluates what threats could be lurking over the Honduran state. At this time, however, there is no latent threat [as heard]; there are threats that could emerge anytime, but for the time being we should hope that peace and calm will reign in the country.

[Interviewer] Is violence a possibility in the country?

[Discua] That is a possibility because sometimes actions adopted in a state could provoke discontent and disorders. This in turn leads to violent acts such as robberies, thefts, murders, and so on. We cannot rule this out. This is a worldwide phenomenon. Honduras is not exempt from elements such as violence.

[Interviewer] Are the Armed Forces ready to maintain order and prevent such violent acts?

[Discua] Yes, the police play a very important role because of their constant contact with the citizens. Obviously, the members of the Army, Air Force, and Navy are always ready to support the police in facing any possible violent situation in this country.

[Interviewer] General, according to the Constitution, the Armed Forces are apolitical, but they cannot ignore the national situation. How do you view the electoral process that will conclude on 28 November and how are you cooperating with the National Electoral Tribunal?

[Discua] The Armed Forces are offering unrestricted support to the process. That is, with all its resources, material and human, they are offering full support to the process to ensure it is completed with the utmost calm;

we want Hondurans to participate in the elections. The Armed Forces, as an institution, may never get involved in any activity showing partiality for an specific political party.

There have been attempts to involve our institution in such activities for a long time. We can expect that some groups will be interested in creating doubt to affect the people's participation in the elections. They could create doubts on the role that the Armed Forces are playing. We should expect this because the Armed Forces are institutions that have demonstrated that they can comply with the mission of guaranteeing total security and support to the electoral process.

Thus, there could be discordant voices seeking to imply that we are partial to a specific political party, but that is absolutely false. I want to tell you that the entire institution will comply with its mission of facing any situation altering order during this process.

[Interviewer] In this regard, General, there is fear about sabotage on election day during or after the voting process. Will the Armed Forces guarantee order and tranquility and that the outcome of elections will be respected?

[Discua] As I said, let us hope that tranquility will reign because the democratic inclination of Honduras has matured, its attitude toward this government system has matured and grown; it has improved day after day. It should call our attention.... [pauses] it is a very mature attitude to say that this year's process has been one of the most honest in the history of Honduras, because the international organization that purged the electoral list [censo] did so with great responsibility.

We can state that Honduras is taking a firm step toward consolidating democracy, and we do not expect that any group will try to disrupt order or prove the contrary. I think we should set an example for the world; we should show that we are an educated people, that we are on the right path even when there could be discordant voices seeking to undermine this process, regardless of what sectors they belong to.

I do want to say that the Armed Forces have never been so conscious of this process. We want to give assurances to all Hondurans that we would never lend ourselves to maneuvers by groups to disrupt the successful completion of the civic feast of 28 November.

[Interviewer] General, what about vigilance on the border on election day?

[Discua] Yes, there will definitely be vigilance. All the Armed Forces and the police are on alert to avoid any abnormal situation that could arise.

[Interviewer] What does the Armed Forces expect from the new government elected on 28 November?

[Discua] In the first place, we hope it will be elected by the people; that is that the people's will be demonstrated by the voting ballots. In the second place, I believe that the nation has to improve, it must look to the year 2000 and march on to the coming century strongly and firmly. I believe that the Armed Forces are also on this road, responding to our nation's needs.

[Interviewer] Honduras concludes its new electoral process on Sunday. There are also other nations in the region that will be holding elections in the coming months. Do you believe that democracy and the peace process are being consolidated in the Central American region?

[Discua] I think they are. All those actions taken by the government such as those that seek a political, economic, and social integration of the Central American region are aimed at creating a state of peace and of tranquility. In this way, each inhabitant of this region may feel free to move about, free to act, and to improve himself. This has made Honduras contribute its best to keep and further the peace we so long for in the Central American region.

[Interviewer] How have the Armed Forces' relations been with current President Leonardo Callejas?

[Discua] They have been relations of respect. The president of the Republic has been respected as the president and as the undisputed commander in chief. Therefore, this leaves no place for anything other than our respect for him, we are subordinate to him. That is, in the eyes of the Armed Forces the president of the Republic has played an important role as leader of this nation.

[Interviewer] I will reiterate, General. The Armed Forces' duty is to guarantee the right to vote freely and that the results be respected.

[Discua] Definitely. Our mission of guaranteeing Hondurans' free vote is clear in the Constitution of the Republic, in this case, on 28 November. Afterward we must also guaranty an alternation of power at the Presidency. We expect everything to run smoothly. In this way we can give the world an example of citizenship, of our patriotic capacity, and to demonstrate that we Hondurans are politically mature enough to participate in the elections. It is expected that 87 percent of the voters will go to the polls and that there will be a 13 percent abstention rate. This demonstrates the Hondurans' capacity to participate in these electoral disputes, and to go to the polls. This gives us greater credibility in the world.

[Interviewer] In another turn of events, General Discua, now that the need to reduce the armies and the military expenses has come up once again, what is the status of the Security Treaty presented by Honduras to establish a military balance in Central America.

[Discua] The Honduran Government, during a presidential summit, presented through President Leonardo Callejas a security plan project for Central America. The project seeks military balance in the region. It seeks for

the Armed Forces to uphold territorial integrity, internal order, and act as support for elected governments.

These are the 1990's; it is a difficult decade because the problems that appeared in the world in previous years prompted us to take a specific path but I believe that the armed forces in each country already have well-defined missions, just as we have ours. The armed forces play a very important role in the democratic process of any country. The armed forces are the backbone of democracy in a country. They have a very important mission. Logically, together with this role, there are other actions which are aimed at helping the state or the government achieve development effectively.

[Interviewer] General, what would happen if the Armed Forces would reduce the number of troops? Are there any jobs for them or would this result in increased unemployment?

[Discua] I think unemployment would rise. Let us recall that the unemployment rate in this country is high. The discharged men would seek ways to survive and that could be dangerous. We have seen examples of countries, our neighbors, where guerrillas were demobilized. Many who were born and grew up in the struggle would be left armed and this is very dangerous. I believe that we must be very careful to prevent a lesser evil from becoming a bigger one.

[Interviewer] Social Democratic Innovation and Unity Party [PINU] candidate Olban Valladares expressed a need to maintain the Army and the Armed Forces to fight narcoterrorism and protect the environment. What is your opinion of this?

[Discua] PINU candidate Valladares is correct. Ever since I began my administrative work, I favored keeping these goals as a priority for the institution. This is the time to support the struggle against drug trafficking, just like we have been doing. With regard to the protection of the environment, the Army has played a very important role in this aspect. All military units are tasked with reforestation. They must help reforest areas devastated by man or by a natural disaster. Thus, we are fulfilling our mission to protect the environment. We have not said much about it but there will be a lecture to the Rotary Club or one of those organizations about the role of the Armed Forces in the protection of the environment.

[Interviewer] What is being done to help the public forces fulfill their mission of protecting the lives and property of citizens?

[Discua] The police have a training school for agents in La Paz. There is also a school to train police officers who receive training in accordance with the situation. The Armed Forces, the police specifically, receive training with the support of international organizations that want to improve the police image. We have been involved in efforts to increase the professionalism of our police force.

We must recall that police are part of the people. We cannot change the mentality of Hondurans, the uniformed policeman is as Honduran, just as any other civilian. Of course, the uniformed man has been trained but his mentality and his idiosyncrasy are the same. Consequently, the people have the police force they should have.

[Interviewer] Are the Armed Forces ready to turn the DNI [Department of National Investigations] over to civilian hands?

[Discua] We are working on that. The DNI mediation commission has done a great job. I think that this is the best thing we have done in a long time. The end result is to turn the DNI now and the DIC [Department of Criminal Investigation] in the future, into a very professional organization. It has always been a professional organization, but now we are giving it greater support so that its work can improve and can fulfill its mission with greater respect for the citizens.

Notwithstanding, this type of investigative agency will always be rejected [as heard] by the people because it fights crime, it fights citizens who are not abiding by the norms established by society.

Logically, the police are always going to come under questioning and attack because they are constantly in contact with the people. In this case, this criminal investigation corps will at the beginning require a great deal of preparation and work. They will have to pay a price because offenders are always going to accuse them of violating their rights and the police are going to want to make their view prevail. This will, of course, happen anywhere in the world. There will always be people who will disparage crime the fighting corps, and that is to be expected.

[Interviewer] General, the Honduran Armed Forces have different programs that are beneficial to the people, but unfortunately they are not advertised fully to make the people aware of them. There are the military farms. You are helping the civic action program in the field of health through work in the hospitals you have in different military units. You are also helping the Secretariat of Communications, Public Workers, and Transportation with the engineer battalion. What can you say about this?

[Discua] The Armed Forces are doing their constitutional mission in the fields of education, protection of natural resources, road construction, and health. The Armed Forces support the government programs in everything. As for the area of education, let me tell you that the Armed Forces have primary schools for adults all over the country. We have secondary schools all over the country. We have two technical schools, and we will build a third that will be under the supervision of the Army. We have an agricultural school at a basic level for Honduran soldiers who are close to completing their

enlistment and rejoining society. They are trained to be new farmers or peasant leaders with new farming techniques.

I also want to tell you this regarding our recruitment procedure, which has not been properly conducted, although the law dictates specifically how it should be done—and we have not received the backing from the appropriate authorities to conduct this process as calmly as possible—80 percent of the recruits, 60 or 80 percent, rather, do not know how to read or write. Because we have schools, almost all of the soldiers who are discharged leave knowing how to read and write. Some have even gone through primary and secondary schools in the military units. They have graduated and are now university trained professionals.

The technical schools of the Air Force and the Naval Force also have programs, which means servicemen leave as skilled workers. They are normally hired by Honduran industries. The Army is completing work on its schools. It will be a technical school, and we are going to try to keep in direct contact with country's technical centers. We also have a plan to send the enlisted men to get professional training at the National Forestry School and the National Agricultural School. The idea is that once these people return to the Armed Forces ranks they will be able to direct a series of reforestation projects. We have projects for the military farms to raise their capacity and techniques. In sum, the Armed Forces are involved in number of programs so that once these people complete their military service they can rejoin society and not become a burden but be useful and support the development of Honduras.

[Interviewer] Are there plans for a greater presence by our military troops in areas at the Salvadoran border that were ratified as Honduran by the International Court of Justice?

[Discua] Yes, there are already units responsible for offering security and imposing order in those areas. They are also responsible for ensuring the prevalence of our sovereignty in those places. This is a difficult task for the time being because you must bear in mind that the court ruling was handed down not long ago. This has caused certain problems but Honduras and El Salvador are in the best position to solve them.

[Interviewer] Gen. Discua, what is the status of relations of the Honduran Armed Forces with those of the rest of Central America?

[Discua] We have always maintained the same relations that we would maintain with any other world armed forces. They are based on respect, mutual cooperation, and understanding. We realize that we live in a zone where the armed forces of each country must play an important role with regard to development and maintaining peace and tranquility to ensure that there is a positive and effective development process in all Central American countries.

[Interviewer] What about the Armed Forces' relations with businessmen, professionals, peasants, laborers, and students?

[Discua] We are part of Honduran society and our relations with its members are cordial and respectful. The institution, I think, has done very positive things for this country, especially for laborers, peasants, the private sector, and students. I think that the Armed Forces did very positive work among these segments of the population when they have played the central role in determining this country's fate. The Armed Forces in a country involved in a process to consolidate its democracy must play a very important role and this allows it to maintain constant contact with all these social groups.

[Interviewer] Army Day will be marked on 11 December. There is talk about promotions and so on. Will there be new generals and changes in the military structure?

[Discua] We have not yet.... [pause] we are working on that. We cannot advance any information because we would be speculating. We are working on this. We will reveal all the information in due time. At this time we are assessing our personnel needs at the officer and subordinate levels. Thus, we have not yet completed our work.

[Interviewer] There are other pending questions, General. We know you were kind enough to offer part of your time to answer our questions. We hope to have you back here. In ending, do you have a message for the Honduran people?

[Discua] Yes, I wish to urge the Honduran people to go to vote with the utmost trust and tranquillity to exercise their right. The Armed Forces will never show partiality toward any political party. I wish to assure you that we will remain alert to ensure that the process is completed as planned, as mandated by the Constitution and the electoral law. We will complete our mission of maintaning order and the safety of the people who go to vote.

We will combine policemen with military units of the other Armed Forces branches to guard residences to prevent thieves from acting with impunity while their owners are complying with that Honduran patriotic duty of voting; of expressing the popular will of the people. Thus, the Armed Forces will be involved in that.

I wish to reaffirm once and for all: No branch of the Armed Forces will ever lend itself to act with impunity in favor of or against an specific political party. Rest assured that the institution is a serious one and that it will responsibly comply with that sacred duty of ensuring that everyone will go to vote on Sunday, that this will be a civic feast, and that we will show the world our democratic determination of electing our rulers as we have done on four previous occasions when this process was completed successfully.

PL Candidate Pledges To Renew Relations With Cuba

PA2711224493 Panama City ACAN in Spanish 2140 GMT 27 Nov 93

[Text] Tegucigalpa, 27 Nov (ACAN-EFE)—Carlos Roberto Reina, the Liberal Party of Honduras presidential candidate, announced today that if he wins the elections tomorrow he will renew relations with Cuba, suspended since 1962.

Regarding foreign affairs issues, Reina stated that his government would normalize its relations with Havana and would launch a diplomatic offensive to establish relations with all the countries in the world. He added that current President Rafael Callejas could reestablish relations with the government headed by Fidel Castro before he leaves the government on 27 January 1994. On relations with the United States, Reina said they "would be cordial and of mutual respect."

The liberal politician will compete for the presidency with Oswaldo Ramos Soto of the governing National Party.

Social Democrats Hope for 'Surprise' in Elections

PA2711170693 Panama City ACAN in Spanish 1255 GMT 27 Nov 93

[Report by Manuel Torres]

[Text] Tegucigalpa, 27 Nov (ACAN-EFE)—The social democratic Innovation and Unity Party (PINU) expects to "surprise" the other parties in Sunday's general elections in Honduras by garnering the votes of undecided voters and of those who are dissatisfied with the current performances of the major parties—the Liberal Party of Honduras and National Party of Honduras.

"We are shooting for a victory," said PINU presidential candidate Olban Valladares, a 52-year-old economist and owner of a chain of fast food restaurants who is viewed as one of the country's most promising political figures.

Valladares strengthened his electoral chances by outperforming his rivals at a presidential debate on 28 September, during which he criticized the traditional parties, the government, and widespread corruption. The PINU candidate offers a new face and new ideas to an electorate that has shown clear signs of disenchantment with traditional parties that have monopolized power throughout the century.

Less than a week before the elections, polls still show that 20-30 percent of the voters, who in absolute terms number approximately 700,000, remain undecided. To these people, who are found particularly in middle-class urban areas, Valladares offers brief and forceful messages that have helped him gain significantly in preelection polls. His discourse reflects the people's widespread discontent. It contains expressions such as: "Corruption is riding the colt of cynicism," and, "Those, who some years ago did not have a place to drop dead, are magnates today."

Throughout his campaign, Valladares has insisted: "I will put all corrupt individuals in jail, regardless of the parties to which they belong." For Valladares, it is not a difficult task to rally the people's support because for years he was a personal motivation instructor.

Various polls indicate that PINU can substantially improve its showing over the 1989 elections, when it only garnered 33,000 votes, less than 2 percent of the electorate. Nevertheless, PINU members are expecting even more. They believe Valladares will become the "Fujimori" of Honduras and break the nation's two-party tradition with a surprise victory. "We are growing considerably in terms of strength, and we know that our party is the alternative for people who are tired of the demagoguery of those who have always ruled," said PINU Deputy Carlos Sosa Coello.

Currently, PINU holds only two of Congress' 128 seats, but the party hopes to achieve a level of representation that will allow it to negotiate on a footing with the traditional parties. PINU members hope that none of their adversaries will achieve an absolute majority in parliament, which would enable PINU's representation to position itself as a "tie-breaker."

In Honduras, "third" parties have always been shadows that go unnoticed behind the Liberals and Nationalists—a sort of tertiary group that never gets beyond being a minority. The social democrats are hoping to be the exception.

Authorities Close Borders Until After Elections

PA2711225393 Mexico City NOTIMEX in Spanish 2149 GMT 27 Nov 93

[Text] Tegucigalpa, 27 Nov (NOTIMEX)—Honduran authorities, today, decided to close the borders with Guatemala, El Salvador, and Nicaragua to the passage of persons and merchandise in order to avoid the influence of foreigners on the elections to be held on 28 November.

The decision, reached at the last minute, was announced at noon today through the radio stations, after contrary reports were aired earlier also by local media. According to the reports, the closure of the borders went into effect at 0600 local (1200 GMT) today and will end on 29 November at the same hour.

The Honduran Armed Forces reported, on their part, that 500 officers and 6,000 members of the Army, Navy, police, and Air Force will guarantee a peaceful atmosphere for the presidential elections. The Armed Forces have the constitutional duty of guarding the electoral processes and the democratic transition of power, said General Luis Alonso Discua Elvir, chief of the Army. He confirmed that the organization he heads is apolitical and nondeliberating, and its mission will be to watch

over the peaceful development of the voting process. He called on the citizenry to go to the voting tables without fear, because the armed institution will impartially watch over the process. Hondurans must exercise their right to vote in order to strengthen democracy and consolidate the government, stressed Discua Elvir.

Tribunal Allows Unregistered Voters To Cast Ballots

PA2711135793 Paris AFP in Spanish 0031 GMT 27 Nov 93

[Report by special correspondent Arturo Gudino]

[Text] Tegucigalpa, 26 Nov (AFP)—Official sources have announced that the National Electoral Tribunal (TNE) approved a special voting procedure this afternoon, which will permit voting by all citizens who have personal identification cards even if they are not registered in their voting districts. By adopting this measure, the TNE supported a complaint filed yesterday by the three opposition political parties, which had led to uncertainty among voters.

Nevertheless, minutes after the TNE's decision was made public, the ruling National Party of Honduras (PNH) announced it would file an injunction tonight with the Supreme Court of Justice to challenge the decision. PNH spokesman Roberto Callejas said the special voting procedure could be used to conduct "enormous fraud" by the Liberal Party of Honduras (PLH), which has resorted to distributing identification cards to underage members and supporters which would allow them to vote.

This evening, PLH candidate Roberto Reina saluted the TNE's decision and warned that if the PNH files the injunction "it will have to deal with those prevented from voting." Reina said that no matter what the court decides, if it reviews the injunction before Sunday, the election process will take place as scheduled.

According to various sources, 100,000-300,000 citizens out of a total 2.7 million people listed in the election census would have been prevented from voting if the TNE had not adopted the special procedure. On a 3-2 vote, the TNE decided to authorize those citizens who have identification cards but are not registered in their voting districts to vote. They can do so by depositing their identification cards and ballots in special envelopes.

On Wednesday, the TNE voted 3-2 to reject an initiative presented by the opposition to authorize the "special envelope vote," but the decision was challenged yesterday afternoon. On that day, the presidential candidates of the four parties vying for power, members of the TNE, President Rafael Callejas himself, and Armed Forces Chief General Luis Alonso Discua attempted to resolve the crisis at a meeting, but they failed to reach an agreement. This morning, the presidential candidates held another meeting, but the ruling party's candidate Oswaldo Ramos Soto rejected the envelope vote, alleging that it could lead to irregularities and fraud.

Meanwhile, some 13,000 Army troops and policemen armed with assault rifles redoubled surveillance at voting stations and public buildings as a precaution against disturbances and acts of violence by the polarized supporters of the PNH and PLH. Also today, hundreds of citizens gathered at the TNE's offices to receive the documents that will allow them to vote on Sunday.

According to the latest polls Reina, a 67-year-old attorney, is slightly ahead of the ruling party's Ramos, 46.

More than 100 observers from the OAS and other regional organizations have arrived in the country to oversee the elections—the fifth, including elections for a constituent assembly, to be held in Honduras since the military returned power to civilians in the early 1980's. Despite the last-minute crisis, President Callejas said today he is certain the elections will be carried out in an entirely normal and honest manner.

General Elections Under Way; OAS Monitors Balloting

PA2811134293 Mexico City NOTIMEX in Spanish 1303 GMT 28 Nov 93

[Text] Tegucigalpa, 28 Nov (NOTIMEX)—Those Hondurans whose names appear on the National Electoral Tribunal [TNE] voting lists today began going to the polls at 0600 [1200 GMT] in the fifth consecutive general elections to be held in Honduras. They are voting under the "active observation" of the OAS.

According to reports from local radio stations, legions of people are voting in the more than 9,000 voting tables installed in the 292 municipalities of the country's 18 departments.

OAS spokesman Mario Gonzalez reports that the 40 OAS observers "will not only be around and observe what is going on," but they will move throughout 150 municipalities, covering more than 50 percent of the voting districts. Gonzalez said, "In the event that they detect any irregularities, the observers will inform the appropriate authorities, suggest solutions, and, if asked, will contribute to helping correct the process."

According to the TNE, the country's top electoral body, several organizations have appointed more than 100 international observers to monitor the elections process.

Electoral Tribunal President Declares Elections Open

PA2811152193 Tegucigalpa Voz de Honduras Network in Spanish 1157 GMT 28 Nov 93

[Interview with and statement by Juan Ramon Martinez, president of the National Electoral Tribunal, by reporter

Lucia Alvarado, at the opening of the polls for nationwide general elections; at the National Autonomous University of Honduras in Tegucigalpa—live relay]

[Excerpts] [Martinez] Our personal opinion is that these elections will bring prestige and pride to Honduras, because the Honduran people's conduct will grab the international community's attention, which sometimes, because of the influence of yellow journalism, only sees the negative aspects of Honduras and fails to acknowledge the fact that we are the second most important democracy in Central America. We also are one of the most important democracies within all of Latin America, and while within the past decade, other societies engaged in fratricidal wars, we Hondurans lived in peace. Today, while others are resolving their differences by hitting and shooting one another, we are resolving our differences on Election Day.

I say this with pride, and I celebrate and share this with all my Honduran brothers, who, once again, I urge to vote. Let them vote for whatever party they find most suitable, whether because of personal preference or because a particular party best defends those interests that a voter must keep in mind when voting.

[Alvarado] How long before the voting starts?

[Martinez] According to my old watch, we are just one minute away from voting time. In one minute I will cast my vote—the first vote cast—to symbolically initiate this elections process. When I do this, I will be voting on behalf of all Hondurans. I want to say that I feel I represent all Hondurans. I do not feel I am a member of any political party. I feel I am a member of the Honduran community, which is struggling and working to get ahead.

[Alvarado] This was the president of the TNE [National Electoral Tribunal]. It is 0600 [1200 GMT]. Soon he will cast his vote and declare the elections open. [passage omitted]

[Martinez] I have just experienced special joy in voting, in objectively exercising my right as a citizen. As president of the TNE, I declare the elections process open. I ask and order all presidents of the more than 9,000 voting tables throughout the country to initiate the elections process.

Once again, I urge all of the Honduran people to vote, realizing that by voting we will strengthen our democracy and that this is the only road to development. Gossip, bickering among Hondurans, and sterile arguments will only lead us backward toward underdevelopment. The road of dialogue, agreement, and democratic participation will open the road to development—the road we all want to follow to improve conditions and to enable the Honduran people to live better.

Callejas Says Election Day Atmosphere 'Very Quiet'

PA2811160093

[Editorial Report] Tegucigalpa Voz de Honduras Network in Spanish at 1451 GMT on 28 November broadcasts a live relay of a six-minute interview with Honduran President Leonardo Callejas and his wife by reporter Cristobal Saucedo on the occasion of nationwide general elections. The interview takes place outside a Catholic church in the 15 September neighborhood in Tegucigalpa.

After noting that the Honduran president has just come from church with his wife and some friends, Saucedo asks Callejas if he has a message for the Honduran people. Callejas responds: "I ask them to vote calmly and in peace. The importance of this process is that it serves to strengthen democracy in Honduras. The people will elect a new president today, and that president will govern the country beginning on 27 January 1994. God has indicated that those who rule do so with the authority of the Lord. Whoever is elected by the people will be backed by all of us, which will allow him to do his best for Honduras."

When discussing his planned agenda for the day, Callejas says: "At approximately 0930 or 1000, I will be going to a voting table at Alemania School in El Carrizal. Later, I will go with my wife Norma to Argentina School in Comayaguela. There, I will meet with the Armed Forces' commander in chief and be briefed on the situation in the country. The information I have so far is that the situation is very quiet, with many people voting. Later, I will go home and await the election results. To be honest about it, I hope the results are favorable for the National Party of Honduras."

The interview concludes with Mrs. Callejas answering several questions concerning her Election Day plans.

Liberal Party Communique on Voting 'Irregularities'

PA2811163093 Tegucigalpa Voz de Honduras Network in Spanish 1521 GMT 28 Nov 93

[Communique by the Central Executive Council of the Liberal Party of Honduras, concerning "irregularities taking place in the general elections," issued in Tegucigalpa on 28 November]

[Text] The PLH [Liberal Party of Honduras] Central Executive Council, in an urgent session that concluded a few minutes ago, agreed on the following:

Whereas, serious charges have been made against representatives of the National Party of Honduras [PNH], who, at voting tables, have prevented Liberal supporters from voting by claiming that their personal identification cards have been perforated illegally;

Whereas, the PLH Central Executive Council believes that the National Electoral Tribunal [TNE] resolution clarifies this issue, because it says perforations in personal identification cards is not a valid reason to prevent any voter from casting his or her vote;

The PLH Central Executive Council is urgently issuing this communique to all of its affiliates throughout the Republic, its representatives at the election tables, and its observers:

1. Voters attempting to vote by using perforated personal identification cards must be recognized as legitimate voters because the cards are completely valid and enable all Liberals to vote freely.

2. The PLH urges all Liberals who have had problems with this matter to return to the voting lines and cast their votes because they are supported by the law, the TNE, and PLH Central Executive Council.

Forward all Liberals: Perforated cards are no obstacle to voting.

TNE Decree Extends Voting One Hour

PA2811234993 Tegucigalpa Voz de Honduras Network in Spanish 2308 GMT 28 Nov 93

[Special decree issued by the National Election Tribunal in Tegucigalpa on 28 November]

[Text] We have a last minute report. Attention local tribunals in the entire country, attention voting tables in the entire country. We are going to read a resolution from the National Election Tribunal [TNE]. Go ahead Julio Armando Valdez.

[Unidentified speaker] Special Decree from the TNE. Whereas the elections did not begin at the proper time as stipulated by law in many voting centers in the country and many have been interrupted, all of which has prevented citizens from exercising their right to vote, in the application of Article 104, Paragraph N-176 of the electoral law and of the polit[illegible]l organization, the TNE decrees:

1. To extend by one hour, until 1800, the elections that are being held today, 28 November 1993.

2. The present decree goes into effect on this same date.

[Valdez] Was the decision made by consensus?

[Speaker] We understand that there are some voting centers that experienced no difficulties. We are extending the deadline for those voting centers that did face difficulties. [passage indistinct]

'Official' Election Results Expected Within 10 Days

PA2811154193 Panama City ACAN in Spanish 1351 GMT 28 Nov 93

[Report by Emilio Crespo]

[Excerpts] Tegucigalpa, 28 Nov (ACAN-EFE)—The Liberals and the Nationalists—the two conservative political choices who, together with the military, have ruled in Honduras so far this century—are once again the undisputable favorites to win the general elections that calmly got under way today. [passage omitted]

The official count from the polls that close at 1700 (2300 GMT) today is expected in about 10 days. At about 2100 GMT (0300 GMT on 29 November), an unofficial computation center will begin to provide results that should accurately reflect the verdict of the ballot boxes.

Poll Shows Liberals Receive 60 Percent of Votes

PA2811220793 Paris AFP in Spanish 2100 GMT 28 Nov 93

[Text] Tegucigalpa, Nov 28 (AFP)—Jorge Arturo Reina, the opposition Liberal Party (PL) of Honduras campaign manager, revealed this afternoon that a poll taken at three of the most important voting centers in Tegucigalpa gave them an advantage of 60 percent of the votes over 34 percent for the National Party (PN).

Reina, who is PL presidential candidate Carlos Roberto Reina's brother, said the poll was taken among 577 citizens who had already voted by noon today. The poll's results rendered 306 votes for PL, 196 for PN, 30 for the Innovation and Unity Party (PINU), and other void or blank votes. "Our victory in Tegucigalpa is complete and we believe the trend will be similar in the interior of the republic," Jorge Arturo Reina stated.

The poll was disputed by PN spokesman Cesar Castellanos who, however, admitted that the liberals had "started very enthusiastically in the first hours of the voting process because the PN had transportation problems in Tegucigalpa." Castellanos added that they have their own polls but refused to give their projections alluding that "it is prohibited by law to do so and we respect the law." The PN spokesman made a vehement call to the followers of government candidate Oswaldo Ramos Soto (46) to go to vote and "not to be confused" with the poll reported by the Liberals.

National Electoral Tribunal (TNE) President Juan Ramon Martinez said he did not see any crime in revealing projections on the election results. The official election results will start to be known approximately two hours after the closing of the ballot boxes, that is around 2000 (0200 GMT). Some 2.7 million Hondurans are registered on the national voting list to elect a president, 128 deputies, 291 mayors, and 20 deputies to the Central American Parliament.

Liberal Party Candidate Reina Claims Victory

PA2911051493 Tegucigalpa Voz de Honduras Network in Spanish 0247 GMT 29 Nov 93

[Victory speech by Carlos Roberto Reina, presidential candidate of the Liberal Party of Honduras, PLH, at the party's election headquarters in Tegucigalpa—live]

[Text] Fellow Hondurans; representatives of the foreign media: I address you at a highly momentous time of my life, as I complete a long journey and start out again with new obligations for the peaceful transformation of Honduras. I would first like to thank the Lord. [applause] He allowed me to complete this difficult but very satisfactory journey. I dedicate this achievement to the memory of my parents, who must bless this moment from heaven. [applause] I dedicate it to the memory of my son, who has awaited this important moment for our country with them. As I cannot kiss them where they are now, I shall kiss a woman who symbolizes them: Dona Violeta Reina de Watson. [applause]

She made a promise to me. I am very old, she said, but I shall not die before I see you as the president-elect of Honduras. [applause] I also dedicate this act to the thousands of Hondurans who have made this victory possible. They had absolute faith in this nation's noble causes and they never declined. [applause] God bless you, soldiers of Francisco Morazan. [applause]

I salute the candidates of the National Party of Honduras, the Christian Democratic Party of Honduras, and the Social Democratic Innovation and Unity Party. I offer you a fraternal embrace and my sincere hand. I have erased all the problems of the campaign from my mind. We begin here with a clean slate in favor of our people. [applause]

The first 100 days of the new government will be crucial. We must make an enormous effort to get the countries of the world to see Honduras as the true fatherland of Francisco Morazan; the noble fatherland of the days of independence. Moral revolution will be an enormous task. During those first 100 days of the new government we must demonstrate that all of the promises made during the campaign are our honest, noble, and loyal intentions for this nation's people. [applause]

I ask you to take this event as a historic act of justice. We must receive it humbly. Men are offered opportunities such as this but once in a lifetime. I waited and had absolute faith because I saw my parents and my elders struggle with dignity before. From now on we must [words indistinct]. We must create an honest working spirit, with a dedication to development.

I cannot thank each one of those who have helped me in this struggle because we would be here until dawn. I embrace them in this symbolic ceremony because they all, each one from his or her specific battle post, had faith in the irreversible triumph of the moral revolution.

That moral revolution will start by implementing the ethical code that regulates the behavior of public employees. With this spirit we will transform the country, which has had great Liberal presidents. I will work hard to faithfully comply with the doctrine of social liberalism, the postulates of the moral revolution, and all the values of democracy.

In the name of my daughters, who are present here, the now soon-to-be next first lady [strong applause and Vivas], and the thousands of Morazan soldiers who have gone ahead of me in this endeavor. I tell the entire nation, fellow countrymen, let us unify this fatherland. Let us improve it so that [words indistinct] and development, which are our objectives, become a reality in the next four years. I once again swear that I will not accept secret allocations [partidas confidenciales] as president of the Republic. [cheers, applause, and people shouting Reina's name repeatedly]

From here we will go to the party's Central Executive Council to greet our people, [applause] to embrace them, and to tell them: We have won the battle. Viva the Liberal Party. [applause]

To the foreign journalists I say: Thank you very much for your presence and your patience in waiting for this moment. Our intent is that the next electoral process will not have as many irregularities. We have to clean the national voting list. [applause] We have to create an Electoral Branch with independent magistrates, who will assume their responsibilities. [applause) We have to make a Judicial Branch that is an example for Central America. [applause] A thousand thanks to all the foreigners who are present. I want Honduras to be a democratic development center such as Costa Rica. Then, the two democratic development centers will make Morazan's fatherland [words indistinct] that we should have started a long time ago. [applause and people shout Reina's name repeatedly]

I had thought of a phrase to use on this occasion because an event can be won or lost. I have lost many times. A very wise peasant once told me: The good loser is a future winner. [applause] I am here before the entire nation, before my people and I reiterate the principles of my struggle and my loyalty. I salute President of the Republic Rafael Leonardo Callejas. [applause] Suddenly, I might have to go the day after tomorrow to Washington to have lunch with the President of the United States. [people shout in surprise and applaud]

To our Central American fellow countrymen I say: The integration process is irreversible. We are going to unite Central America firmly. We will defend it against the large economic groups and we will advance because we are made with the fiber with which the heroes of the biggest republic in Central America were made. [applause]

I invite you all to come with me to the Central Executive Council. [shouts] We must go with happiness and without offending anybody. We must not utter a single

offense if we see a member of another party. We must embrace him. This battle is over and now we have to continue fighting for Honduras. [applause, chants]

Inspired by the now soon-to-be first lady, I once told you: I am going to be the candidate of the Liberal party. I also said I am going to be the president of the Republic of Honduras. I have kept my word. Viva Honduras! [people shout: "Viva!"; applause] Viva the Liberal party! [people shout: "Viva!"; applause] Soldiers of Morazan let us go to the Central Executive Council. [Shouts]

Callejas Concedes Defeat

PA2911045193 Tegucigalpa Voz de Honduras Network in Spanish 0354 GMT 29 Nov 93

[Statement by President Rafael Leonardo Callejas in Tegucigalpa on 28 November—live]

[Text] At this time, as a member of the National Party of Honduras [PNH] which I have represented in the presidency of the Republic, I want to embrace Jose Oswaldo Ramos Soto, Dona Jenny, the Nationalists, and the Honduran people for having carried out an extraordinary civic event agin. I express my respect and recognition to Honduran President-elect Dr. Carlos Roberto Reina for his electoral accomplishment.

With satisfaction, I receive the words of Jose Oswaldo Ramos Soto. We Nationalists respect and love you. We are aware of your extraordinary efforts and I cannot deny that we also feel sadness. One cannot ignore the merits of a man like you and of your wife. The Nationalists, who are ready to return to the political opposition again, are aware of your great effort to obtain a second big victory for the PNH. My wife and I are with you and your wife, just as all the Nationalists are with you. The Honduran people also honor you because they are aware of the clear leadership that you proposed.

My congratulations to all my fellow countrymen. This new electoral phase has been held completely in peace and the Honduran people's will has been expressed. Therefore, I can only reiterate to you my gratitude as a citizen, my thanks as a Nationalist, and my everlasting affection for you and your family as a personal friend.

To Dr. Carlos Roberto Reina, our sincere congratulations and we hope to undertake a transition process whose sole objective will be a better nation for all Hondurans.

PNH Candidate Concedes Defeat

PA2911050793 Tegucigalpa Voz de Honduras Network in Spanish 0346 GMT 29 Nov 93

[Statement by Oswaldo Ramos Soto, presidential candidate of the National Party of Honduras, PHN, from his home in Tegucigalpa—live]

[Text] Thank you, Messrs. journalists, for having waited for me outside of my home. I would like to thank you sincerely for your presence here and for your participation. I would like to send a fraternal greeting to the Honduran people. A civic event took place today, one that all Hondurans should feel proud of. All of the votes have not yet been counted, but the trend shows that the Liberal Party of Honduras won these elections.

I have tried to reach Dr. Carlos Roberto Reina to congratulate him because apparently he is the winner of this great civic event. I want to tell all the members of the National Party of Honduras [PNH] that I am grateful for having been chosen as the party's presidential candidate. I realized, however, this morning in the Church of Suyapa that the Lord is the one who puts in and takes out rulers and the Lord and the people of Honduras did not want me to be the next president of all Hondurans.

I want to tell the members of my party that I have been very proud to represent them. I have worked earnestly and with great responsibility to take a message of unity and strength to the four cardinal points of Honduras.

Today I am in the company of my wife Jenny del Rosario and of His Excellency Rafael Leonardo Callejas Romero, the constitutional president of the Republic and great leader of the Honduran people, and his wife lawyer Norma Regina Gaborit de Callejas Romero. Many friends and fellow party members have come here tonight to be with me. I told them that they should not feel sad, but to the contrary they should be happy because Honduras, our fatherland, has been the victor.

The last time around, 26 November 1989, the PNH won. The Honduran people made Callejas Romero president. Today the people supported Carlos Roberto Reina. It is my duty, as an upstanding citizen of this new fatherland to which I owe my best efforts and greatest sacrifices, to support national unity at this historic hour by giving my support to the next president of all Hondurans. Even though he does not belong to my party, he is a citizen who, thanks to the people's support, has won the right to rule us for the next four years.

I am not happy, but I am not sad either because those of us who struggle to achieve great goals should not be sad. Even if we do not achieve our goal we have the satisfaction of having worked to build a more serious, stronger democracy so as to achieve great things for the benefit of the Honduran people. I want to tell the members of my party throughout the entire country not to be upset or feel sad, because we have waged a great civic battle that will be recorded in golden letters in the history of the fatherland.

Two persons cannot win; only one. I want history to be written recognizing the terrain that our traditional adversary has won in the political field. I want to tell all those who worked for the party struggle, the youths, women, professionals, laborers, peasants, newsmen, and to everyone, without exception, that I will carry you in my heart forever. The fatherland has decided through the people's historic vote that the other party should govern it beginning on 27 January 1994. Let us hope that

the people have not made a mistake. I pray to the Lord that they have not made a mistake because undoubtedly it is the people who suffer the consequences of a historic mistake.

We are not here, however, to make recriminations. We are here to raise the banner of the fulfillment of the dreams, aspirations, and hopes of the Honduran people. Just because the PNH has lost does not mean that Honduras should come to a standstill. We must continue with serious and sustained efforts by all good Hondurans in the search for a better [word indistinct] that will generate wealth, well-being, and progress for our people.

As the president of the Central Committee of the best political party that our fatherland has, the great PNH, I would like to reiterate my congratulations to the fraternal Liberal Party of Honduras, and especially to the next president of Honduras, Carlos Roberto Reina. Thank you very much, and may God bless you.

Nicaragua

Mexican Daily Reports CIA-Mosad Plot To Kill Humberto Ortega

PA2611210993 Paris AFP in Spanish 1636 GMT 26 Nov 93

[Text] Mexico City, 26 Nov (AFP)—A "group of Central Americans and Miami-based Cubans, are reportedly preparing an attack on the life of General Humberto Ortega, chief of the Sandinist People's Army," Mexican newspaper EL SOL DE MEXICO stated in its 26 November edition.

According to the newspaper, which did not reveal the origin of its information and merely stated it was provided by a "source that chose to remain anonymous," the Central Intelligence Agency (CIA) and the Israeli intelligence service Mosad are implicated. The report added that "an Israeli national is advising the mercenaries, and the CIA supplied them with logistical support." It noted U.S. President Bill Clinton "has already been apprised of the situation." EL SOL DE MEXICO indicated the "plot is being hatched in Miami," to be executed in Managua or nearby areas.

Humberto Ortega Confirms Plot

PA2711193393 Managua BARRICADA in Spanish 27 Nov 93 pp 1, 12

[Article by Noel Irias]

[Text] General Humberto Ortega confirmed yesterday the existence of a plot to assassinate him, which was concocted in Florida, United States, by Nicaraguan residents there, U.S. residents of Cuban origin, and former agents or collaborators of the Israeli Secret Service (Mosad) and the CIA.

Ortega firmly ruled out the participation of the U.S. or Israeli Governments. He said the plot involves individuals who, in the past, had some connection with the intelligence organizations of those countries and who now, for ideological reasons or money, are engaged in this type of action.

The U.S. Government was officially informed of the plot in early September through Mrs. Heather Hodges, its charge d'affaires in Nicaragua, according to military sources. Later, Gen. Ortega discussed the topic during his first meeting with U.S. Ambassador John Maisto. He sent a letter to President William Clinton informing him of the case on 26 October.

Ambassador Maisto responded in a letter dated 19 November telling Ortega: "The competent security agencies of my country have been informed and the FBI has initiated an investigation."

Also, Mrs. Hodges declared, "The United States takes seriously any allegation about possible conspiracies or terrorist activities against officials of foreign governments that might be occurring in the United States." Mrs. Hodges added: "I will only say that any act organized from within the United States against any country is taken seriously...."

Army Decries U.S. Ambassador Comments on Humberto Ortega

PA2711200093 Managua LA PRENSA in Spanish 26 Nov 93 pp 1, 12

[Report by Roger Suarez M.]

[Excerpts] The Public Relations Office of the Sandinist People's Army [EPS] today reacted to a statement by U.S. Ambassador John Maisto, who said he hopes that President Violeta Chamorro's 2 September announcement on the subordination of the military to civilian rule will materialize.

When asked whether he will be in Nicaragua to see the fall of General Humberto Ortega, Maisto said: We support the government of Dona Violeta, we support the subordination of military power to civilian rule, and we hope that what she said on 2 September will be complied with.

Yesterday, The EPS Command issued a communique describing the U.S. diplomat's statement as a "flagrant violation of our country's sovereignty and independence because it deals with an issue that pertains exclusively to Nicaraguans."

The Army Command has reacted virulently on past occasions whenever there has been a reference to the dismissal of Gen. Ortega from his post. [passage omitted]

This morning, Foreign Minister Ernesto Leal told domestic reporters that he knows nothing about the note issued by the EPS Public Relations Office. Nevertheless,

he pointed out that the Foreign Ministry is indeed the institution that should handle the issue.

The U.S. Government, through Alexander F. Watson, assistant secretary of state for inter-American affairs, has already told the various segments of Nicaraguan society that they must choose between "reaching a broad national consensus on how to resolve the country's crisis or lose the support of the international community."

Certain political sectors in Nicaragua have voiced displeasure over the U.S. position. They pointed out that the U.S. Government is pressing for an agreement with the Sandinists at all costs without regard to promises contained in the government program the National Opposition Union presented to the people during the 1990-96 election campaign.

Daniel Ortega Rejects Agreement With IMF, World Bank

PA2711210793 Managua Canal Cuatro Television in Spanish 0300 GMT 26 Nov 93

[From the "Extravision" newscast]

[Text] At a time when an IMF and World Bank delegation is negotiating with the Nicaraguan Government the terms of an economic plan for the next three years, the Sandinist National Liberation Front [FSLN] on 25 November made public its views on the demands that these organizations are making. Former President Daniel Ortega told President Violeta Chamorro the following:

[Begin Ortega recording] We want to point out that we oppose the disguised privatization of such basic services as health, education, and social security. We know that these services are being privatized. The fact that the intensification of the process to privatize these basic services has been discussed at meetings with these organizations make us reject such a proposal.

The FSLN also reiterates its opinion that the state has the unavoidable duty to manage, plan, and control such public services as power, petroleum, potable water, telecommunications, mail, ports and airports, customs, housing, sports, culture, media, storage of basic grains, and others. Likewise, we reject any attempt to privatize our national natural resources. The National Assembly must approve by law any efforts to tap them.

We are also against raising interest rates. This is a (?concern) of all Nicaraguan producers. The government must guarantee loans to traditional producers, as well as to new producers from poor sectors such as workers, Army retirees, and demobilized Nicaraguan resistance members who own land. Furthermore, it is important to give our exports a sustained thrust. This is why the FSLN opposes the suspension of the fiscal benefits granted to non-traditional exports. Moreover, we reject the continued policy of lifting import duties and demand that this policy be implemented gradually. The government must fix the price in certain products. These international organizations think otherwise, but we do think that the government must fix prices, especially the prices of basic grains. The idea is that the government protect small- and medium-scale farmers, peasants, and cooperatives. It should also protect consumers.

In addition, we reject any attempt to not recognize the role and contents of collective labor contracts under the pretext of facilitating the workers easy access to and withdrawal from labor markets. We also reject the attempt to limit existing social benefits. It is clear that the IMF and World Bank want to facilitate workers access to and exit from the labor market. This means firing them and not recognizing labor contracts.

These are the reasons why we believe that the provisions included in the agreement currently under negotiation with the IMF and World Bank must be rejected because, instead of contributing to productive recovery and job creation, they will worsen the precarious social and political stability of the country in detriment of a majority of the people.

We call on the government to modify the current bases of the agreement and to promote national consensus proposals that will lead to an economic recovery and will contribute to increased production, to creating jobs, and to mitigating the hunger of the Nicaraguan people. [end recording]

Army Admits Existence of Illegal Weapons Market

PA2711224193 Panama City ACAN in Spanish 1636 GMT 25 Nov 93

[Text] Managua, 25 Nov (ACAN-EFE)—The Nicaraguan Army has admitted that a large market for illegal weapons has developed in Nicaragua and through it drug traffickers have purchased thousands of rifles over the past few years.

Lieutenant Colonel Ramon Ernesto Sosa, national chief of the Special Disarmament Brigades (BED), disclosed this week that approximately 5,000 weapons were illegally purchased in Nicaragua by drug traffickers. Meanwhile Colonel Javier Carrion, second chief of the Sandinist People's Army General Staff, commented that "the considerable weapons market that has developed" in Nicaragua "is due, among other things, to the large quantity of rifles distributed during the past decade" during the war between the Sandinists and former "contras."

During the previous government presided over by Daniel Ortega, the Army distributed thousands of weapons to Sandinists in the countryside and city, as part of the defense efforts undertaken to combat the former "contras" who had attempted to topple him. Thousands of other weapons were in the hands of the 22,000 "contra" fighters who received logistical support from the United States and also purchased all sorts of

rifles on the illegal market to wage war against the Sandinists from the mid-eighties to early 1990.

Col. Carrion asserts that the drug traffickers have maintained "very close ties" with the unconventional Nicaraguan groups known as "recontras" (former "contras" up in arms) and "recompas" (former Sandinist soldiers), due to which he thinks it is "feasible" that (the rearmed) forces are the suppliers of those weapons to international drug traffickers. "I can assert that the weapons sold to the drug traffickers have not come from the Army's warehouses," Col. Carrion stressed in statements to ACAN-EFE.

The high-ranking military chief, who did not specify which "cartels" the bought the illegal weapons, said the Army is investigating "the drug traffickers' activities" in this country, which they are using as a trampoline to smuggle cocaine from Colombia into the United States. "The unconventional groups' area of operations (northern and central Nicaragua) are also used by the international drug traffickers, which allows them to "maintain closer ties," Col. Carrion added.

From December 1990, thousands of former "contras," who had demobilized in June of the same year following the election victory of President Violeta Chamorro, again rose up in arms because they thought the government had failed to fulfill the promises it made to encourage them to return to civilian life.

Meanwhile, another group of former Sandinist soldiers also rearmed for the same reason; they alleged their lives were in danger because of the armed activities of the former "contras," called "recontras." Over the past two years, the BED in Nicaragua has seized over 50,000 weapons and demobilized and disarmed almost 25,000 "recontras" and "recompas." The Nicaraguan authorities believe that almost 10,000 weapons of various calibers remain in the hands of civilians and small unconventional groups, and they expect to recover them within the next few months.

Minister Says Disarmament of Irregulars To Continue

PA2811133193 Managua Radio Nicaragua Network in Spanish 1100 GMT 24 Nov 93

[Text] During a ceremony held in Matagalpa to commemorate the second anniversary of the Special Disarmament Brigade [BED], Government Minister Alfredo Mendieta reiterated that the government will continue its disarmament operations that are supported by the Sandinist People's Army [EPS].

The government minister also said the authorities will continue to persuade members of irregular groups to return to civilian life until all of them are disarmed, thereby completely stabilizing those territories now threatened by violence.

[Begin Mendieta recording] We will continue the persuasion process as a government policy to include all armed groups until we achieve their gradual and definite reintegration into civilian life in order that peace can be achieved in the country.

We have a mission to meet this goal through the support of the government and all civilian, military, and church authorities. We will continue the process of contact, persuasion, and reintegration of all of these groups. We also will begin a new process of neutralizing these groups through the cooperation of the Army, National Police, and the Judicial Branch. We also will continue to protect our natural resources; wage a struggle against rustlers and criminals; and support the protection, defense, and security plan implemented by the National Police and the Army with the BED's cooperation.

We are interested in protecting and guaranteeing the coffee harvest, particularly in Regions 1 and 6. Nearly 53,000 weapons have been confiscated, and this certainly indicates the level of danger that prevailed in the country when the president began her term. It was none other than the policy of national reconciliation, persuasion, and permanent dialogue that enabled us, without an unreasonably high cost in lives, to again achieve a perfectly reliable country where peace prevails. Moreover, 147,789 explosive devices capable of causing incredible damage were also confiscated, not only in our country but in different countries as well.

We want to underscore these figures so that those people who have yet to comprehend the essential value of the BED's activities and the government's reconciliation policy may understand why we are now able to enjoy more peace and tranquility, and why a larger number of these groups are being reintegrated into the country's economic life. [end recording]

Chamorro Urges People To Contribute to Social Agenda

PA2711225493 Managua BARRICADA in Spanish 23 Nov 93 pp 1, 12

[Report by Maria Alicia Talavera]

[Text] Violeta Chamorro's administration has asked Nicaraguan civilian society to "work together" to make her social agenda a reality and to help her out in the 1993-96 period, during which she will attempt to establish a balance between social supply and demand, resources and needs, according to the plan disclosed yesterday to representatives of the international community and various sectors of the country.

During a session that lasted almost three hours at the Olof Palme Convention Center, which was later shaken by the 5.5 degree earthquake, the agenda was broken down into three parts: social demands, which express the communities' most deeply felt needs; social supply, which refers to the priority resources available for the public social sector; and civilian society's contribution.

In the presence of President Chamorro and a large cabinet delegation, Social Action Minister William Baez said the social agenda "is not a list of the people's most deeply felt needs. Nor is it a sophisticated set of documents concerning projects or ministry reports, or the eternal ups and downs of the social indexes and indicators," he said. Baez explained that within the framework of the Government Social Agenda 1993-96 government, which was prepared in September, the social cabinet has established the goals and main strategies that should prevail when the time comes to allot resources and national efforts to deal with the social needs of the critically poor sectors of the population.

Presidency Minister Antonio Lacayo again repeated what he said three weeks ago at the National Assembly; 1994 will be a year "of realities and not promises," and he urged everyone to "work relentlessly on the social agenda which has increasingly focused on the most affected sectors." The plan, Lacayo said, is for all of civilian society to make a joint effort to increase production, make life less difficult for the poor, and increase solidarity toward the reactivation announced at the beginning of 1993 by President Chamorro.

As of yesterday, in the presence of over 500 guests from all over the country, including mayors and councilmen, the government initiated a nationwide consultation of the agenda. President Chamorro will tour the Nicaraguan countryside to discuss the agenda with the population and to seek their help.

The ministers of labor; education; and health, security, and social welfare presented a summary of the work they have done and their goals for the 1993-96 period. Health Minister Martha Palacios and Education Minister Humberto Belli strongly defended administrative decentralization (they described it as efficiency), which does not imply privatization; this system will be expanded to elementary schools next year.

(?Belli said) schools throughout the country will undergo repairs and he promised to continue closing the "gap between desks." He spoke of raising ethical, moral, serious, responsible, and honest youths.

Palacios said the nation's policy on health is to modernize the sector and she announced she had obtained $140 million on her own. She referred to health as a right for the people and a duty for the state. Palacios later spoke of curbing the population's growth through contraceptives and natural methods. Regarding the latter, according to Belli [as published], "there has been a strange silence."

Summary of the Proposal

What does the government's social agenda propose? To continue the community employment program; provide schools with the glass of milk and biscuit; give priority to resources for elementary schools; provide treatment for women during the fertile stages of their lives and during high-risk pregnancies; provide nutrition education and prevent diarrheic diseases; finance projects that will generate jobs in poor areas; continue autonomous school administration; promote a Labor Code; build 7,000 homes in rural areas; provide credit for 5,400 industrial producers; provide unconventional credit for 28,000 urban producers; create a new Social Security and Welfare Law; create a Family Code.

Criteria for the Agenda's Implementation

Decentralize services; community promotion and involvement; coordinate central and local government services; focus on certain programs in view of the shortage of resources; rehabilitate and rebuild the physical structures of primary areas such as health, education and centers for the treatment of minors.

FSLN Leader Borge Appeals for Sandinist Unity

PA2811193593 Managua BARRICADA in Spanish 26 Nov 93 p 4

[Text] Matagalpa—Commander Tomas Borge, member of the FSLN [Sandinist National Liberation Front] National Directorate, issued an appeal so the party's next congress, scheduled for August 1994, "does not serve to worsen (internal) contradictions, only to seek a minimum program with the same principles that resulted in the FSLN's creation."

During a meeting with Sandinist activists in this city, Borge insisted, "it is necessary to restore coherence and protect the party's unity bearing in mind differences in viewpoints." He told Sandinists gathered in the city: "There have been changes, and the National Directorate is no longer the highest authority because it now has third place in importance."

Referring to possible changes, ratifications, or appointments of new members in the National Directorate as a result of the next congress, the FSLN founder issued an appeal to support whatever decisions are adopted. "Whoever disagrees is not a Sandinist and, therefore, would be stabbing us in the back."

Borge went on to say the FSLN fully opposes the government's privatization of public service enterprises. "We oppose the privatization of health, education, bank, and airport services," he said, while emphasizing the government's incompetence and lack of patriotism.

Compared with other countries, violence does not prevail in Nicaragua, and, therefore, national and foreign investments are possible, he said. "There is more violence in countries such as Peru, Yugoslavia, and Russia, and yet investments are made in these countries. This is why we must discard the idea of violence because there have been no deaths in Nicaragua's cities."

Moreover, Borge reviewed talks with the National Opposition Union and restated his conviction that the current constitution will not change. "I think there will be no reelection, and I see no threat in the appearance of new political leaders," he said.

Panama

Government Requests Colombian Technical Assistance

PA2711040793 Panama City LA ESTRELLA DE PANAMA in Spanish 25 Nov 93 p A1

[Report by Ruben Dario Diaz]

[Text] Government and Justice Minister Juan Bautista Chevalier announced that Panama had requested technical assistance from the Colombian Government in combating drug traffickers, eliminating marijuana and coca plantations, as well as destroying clandestine cocaine processing laboratories.

Chevalier stated that Colombian not only has several years experience in combating guerrillas but also drug traffickers. He added that in light of that situation, Colombia would be sending a police attache to provide instructions to the National Police [PN] as well as the National Air Service [SAN] on how things should be done.

The government and justice minister emphasized that Colombian drug traffickers seized in Panamanian territory during police operations will remain in Panama to serve their sentences until such time as an agreement equivalent to the sentence is negotiated and it is determined that the convicts qualify for extradition, which will enable them to carry out their sentences in their country or origin. [sentence as published]

On the other hand, Chevalier announced that during the summer months the Panamanian Government would like to implement a police operation on the Panamanian side of Tacarcuna hill in order to eliminate coca and marijuana plantations as well as any person involved in this activity. In this respect, he added that several hectares of coca and marijuana, as well as cocaine processing laboratories had already been detected and destroyed in Tacarcuna. Nevertheless, he emphasized that other investigations had uncovered an additional 200 hectares of coca plantations on the other side of the same region.

Judicial Police Break Up 2 Criminal Groups

PA2811193493 Panama City LA PRENSA in Spanish 26 Nov 93 p 1

[Report by Jose Otero]

[Text] Idelfonso Suira, chief of the Technical Judicial Police (PTJ) Criminal Investigation Division, reported yesterday that his men had dismantled two dangerous bands of drug traffickers and kidnappers that were operating in Panama. PTJ personnel also arrested 14 members of the criminal groups, including Colombians, Asians, and Panamanians,

Inspector Suira said that among the people they arrested were eight men, presumably Asian citizens, members of the so-called "Chinese Mafia" that operates in Panama City, smuggling illegal aliens, forging public documents, and kidnapping and killing Asians who live in Panama. This criminal band also charges Asian merchants money to guarantee "security for their stores," and, if the victims are unable to pay, the band members kidnap and murder them, Suira explained.

He reported that when they arrested the Asians they had also seized large caliber weapons, ammunition, and false seals and documents from the Panamanian Consulate in Thailand, used to bring undocumented people from that country into Panama. Among the forged seals they found Panama entry and departure seals of the Immigration Office as well as letterhead with the forged signature of Alejandro Garrido, the Panamanian consul in Thailand.

The PTJ inspector revealed that the Asian band members are responsible for the abduction of four Asian merchants in September and October, as well as three murders. Suira said: "This was one of the most dangerous criminal groups operating in the country. All of its members are professionals, and that is why they were so difficult to arrest."

The inspector reported that another criminal organization, formed by Panamanians and Colombians, was also dismantled and that six of its leaders are now in Modelo Penitentiary. The members of this other band, he said, were involved in the trafficking and sale of cocaine in the country and had ties with Colombian drug cartels. Suira said two Panamanians and four Colombian citizens who belonged to this band have been arrested. The PTJ also seized seven pistols of different calibers, an Uzi sub machinegun with a home-made silencer, and four cases of ammunition.

Suira said the names of the 14 people arrested cannot be disclosed until the investigations have ended. At that time, the cases will be passed to the Attorney General's Office because they are crimes involving drug trafficking and foreigners. "The dismantling of the two bands was the result of four months of planning and searching for their main leaders. Our work, however, has still not ended because there are other criminal bands operating in the country, and we are following their tracks," Inspector Suira added.

In conclusion, Suira said that the division under his command had arrested a suspect in the case of Dr. Ebrahim Asvat's kidnapping and that other arrests related to this case are expected to be made in the days to come.

Top PDC Leader Joins Opposing Solidarity Party

PA2711211093 Panama City Telemetro Television Network in Spanish 1730 GMT 26 Nov 93

[From "The Telemetro Reports" newscast]

[Text] This morning during an impromptu news conference, Samuel Lewis Galindo [Solidarity Party president]

announced public support for the Solidarity Party by Carlos Arellano Lennox, a Christian Democratic Party [PDC] deputy, as well as by another group of that same party. The public was surprised by the unexpected announcement. Arellano had been practically wiped out by Ricardo Arias Calderon's [PDC president] political machinery during the PDC party convention held on Sunday where both were competing for the presidential candidacy.

Samuel Lewis Galindo did not hide his satisfaction with the decision by one of the PDC's most prestigious leaders and a member since it founding. Here is what Lewis Galindo said:

[Begin Lewis Galindo recording] We extend our hands to him, in solidarity we welcome him, and we consider him one of our most important representatives. Welcome to our group, my dear old friend. [applause] [end recording]

Arellano Lennox's open defiance of his party's convention mandate is based on the PDC's approval that the running ticket's top man is not negotiable, leaving the PDC without an option to join a winning alliance.

[Begin recording, in progress] ...in that congress, such as for example, to sit down at the negotiating table. This does not give us any options to continue in or to give our support to that political group. [end recording]

Electoral Tribunal Recognizes Independent Democratic Union

PA2711224593 Panama City Telemetro Television Network in Spanish 1730 GMT 26 Nov 93

[From "Telemetro Reports" newscast]

[Text] The Electoral Tribunal has officially recognized the Independent Democratic Union party. The new political group has 23,000 members and is led by Jacinto Cardenas.

Argentina

Foreign Ministry Issues Communique on Pilcomayo River

PY2711211993 Buenos Aires CLARIN in Spanish 27 Nov 93 p 11

[Text] Argentina has warned Paraguay that Argentina considers "unacceptable" the unilateral construction of a transverse dam on the Pilcomayo River to solve the problem of equal distribution of the Pilcomayo River's volume of flow, an issue that may become a political conflict between the two countries.

The warning is contained in a communique that Vice Foreign Minister Fernando Petrella delivered yesterday to Paraguayan Ambassador to Argentina Dido Florentin Bogado, rejecting a written protest that Paraguay had lodged over this issue, which seems to have become an escalating series of rebuttals and rejoinders. In its communique Paraguay tacitly admitted that it would construct such a channel, called "Azud" by the Paraguayans.

Nevertheless, Argentina's three-page communique, to which CLARIN gained access, paves the way for the possibility of discovering a diplomatic solution to the crisis through an urgent meeting between the two foreign ministries.

The conflict began in 1991 when the two countries agreed to construct two channels—one for each side—in order to use the waters of the Pilcomayo River, which are every year becoming more scarce, causing serious economic and ecological problems. Because Paraguay constructed its channel with some technical defects, the waters flowed almost entirely into the Argentine side.

Given this situation, an agreement was reached this year to close the Argentine channel and construct a new Paraguayan channel. Nevertheless, the river's flood last week forced the Argentine operation to stop, and the water began to flow into the Paraguayan channel, but did not reach the expected level.

The communique signed by Foreign Minister Guido Di Tella and addressed to his [Paraguayan] counterpart Diogenes Martinez points out: "The Argentine Republic has always strictly respected the standards and principles which according to international law govern states' conduct in the management and administration of shared river resources. This has been and will continue to be my country's conduct on this issue."

Official Offers Guidelines for Hemispheric Security Plan

PY2611151493 Buenos Aires CLARIN in Spanish 19 Nov 93 p 19

[Article by Hernan Patino Mayer, Argentina's permanent representative to the OAS]

[Text] On matters of security, appearances only deceive those who trust them.

With this phrase we are trying to describe the situation that offers us the security system founded by the Inter-American Reciprocal Assistance Treaty (TIAR) that was signed in Rio de Janeiro in 1947.

It is a symbol of little content, an imitation of past and not always happy experiences.

We currently are living with an anachronistic and limited system of collective security that was conceived on the basis of different, sometimes contradictory, standards as far as values and principles are concerned. We also lack the effective mechanisms for the prevention of conflicts and the peaceful solution of controversies.

The profound changes taking place in the region and the world in the last few years give us a new opportunity to try, with some possibility of success, drawing up a new model of continental security.

The Americas appear objectively as the most appropriate region for developing and improving a new concept of security—cooperative security.

This new concept of security has been drawn up on the basis of the experience learned in Western Europe after World War II.

This experience was able to change, in a little more than four decades, the scene of the worst killings seen by humans into one of the most stable and secure areas on the planet. We are aware, however, that an automatic transfer of concepts should not be tried.

The tradition of continental peace and the progress made in the common field of moral values (democracy, human rights, rationality, and economic opening) should open the way for American states to cooperate on this issue.

The initial goal of cooperative security in the Americas should be the institutional consolidation of an environment of stability and predictability among nations, discarding once and for all any possibility of interregional conflict.

It should be reiterated once more that cooperative security demands the simultaneous multiplication, improvement, and institutionalization of economic, social, and political links. This would allow us to make progress on the initial measures that could create the basis for the new system in the strictly military field:

1. Defensive, not offensive configuration of the armed forces.

2. Coordinated participation in organized international reaction to aggression.

3. Agreements on safeguards, monitoring, and verification of military technological development.

4. Joint work on the development of military technology.

5. Transfer of weapons based on a policy of transparency, publicity, and information.

6. Creation of measures for strengthening mutual trust.

7. Agreements on control, limitation, and development of weapons, and elimination of weapons of mass destruction.

8. Strengthening of mechanisms to help and guarantee a regional military balance.

By analyzing these measures one can see their highly preventive nature. By establishing an analogy with the health sector, one can say that cooperative security favors prevention over reaction. This does not mean, however, discarding reaction when the nature of the problem requires it.

To be effective a security system also must be capable of reacting effectively and in agreement when the values and interests on which it is based are being threatened.

The drawing up of a new system of hemispheric security based on the concept of cooperative security must have a common purpose and should under no circumstances obstruct the important progress made at the subregional level in the last few years.

The idea is, on the contrary, to take advantage, improve, and integrate the subregional experiences in the construction of a security system capable of replacing mistrust and competition for cooperation and complementation.

All of this should be for the benefit of a continent definitely free of any possibility of intraregional conflict, and with greater collective influence on the still uncertain strategy of international security.

'Deterioration' in Air Power Over 'Past Decade' Examined

PY2411201193 Buenos Aires LA PRENSA in Spanish 18 Nov 93 pp 1, 6

[Article by Fernando Jorge Murillo—all figures as published]

[Text] Argentina's air power, which was seriously impaired during the Malvinas war, has deteriorated over the past decade with new accidents whose consequences have been as serious as those of the war.

The controversial purchase of Skyhawk planes for the Air Force will not compensate for the losses that the Air Force and the security forces have suffered over the past 10 years. This is the most obvious evidence of the deterioration that military planes have undergone because of the lack of appropriate maintenance operations. The following are statistical figures estimated by LA PRENSA on the basis of published reports: 46 destroyed planes, and 24 that have undergone different types of damage. This is an excessively high figure for peacetime. The Air Force has lost 29 planes (among them 3 helicopters), the Navy 11, and the border police five. Ninety people have been reported killed.

Negotiations continue on various foreign fronts for purchasing the A-4M Skyhawk planes that would allow the Air Force to recover part of the machines that were lost during the Malvinas war. Meanwhile, a surprising number of Argentine military planes have been involved in accidents over the past 11 years.

After the Malvinas war, during which almost 100 planes were destroyed in combat and on the ground, in addition to some accidents, Argentine air power has undergone remarkable impairment because of the loss of a significant number of planes without any kind of conflict having been involved.

The Air Force suffered the biggest loss during the war, having lost 61 units, two of which were helicopters. Next comes the Army, with 20 units, all of them helicopters, while the Navy lost 14 units, two of them helicopters. One of them sank with the "General Belgrano" cruiser, and the second was lost during an operational accident.

According to the list of airplanes the Air Force lost during the Malvinas war, 19 were of the A-4B and A-4C type, plus 11 Dagger fighter bombers, while the Army lost nine UH-1H helicopters and six Puma helicopters.

The Other War

According to the post-Malvinas evaluation made by LA PRENSA on the basis of several public sources (books published in Argentina and abroad), the units that the Armed Forces and the border police have lost since the end of the war to date show that the deterioration of materiel is at least worrisome. Furthermore, it is logical to expect the number of units affected by accidents to be actually higher than the figure included in this list of accidents, as each branch normally releases as few details of its operational accidents as possible, for elementary reasons of security. It would therefore be logical to increase the figure on this list by an estimated 25 percent, which is a reasonable figure for our country.

The total number of accidents amounts to 70, which caused the total destruction of 46 planes and alleged damage to 24 others. Yet the death toll is 90, of which 20 occurred this year. This year's death toll is the highest annual rate. It might be reasonable to conclude that airplanes are more likely to suffer accidents as they become old, especially taking into account that there has been practically no renewal of materiel.

Conclusions

The second table shows that the Air Force was also most badly hit, with 29 units, three of them helicopters. Next comes the Navy, which 11 losses, and the border police with five.

The Air Force lost four MS-760 Moranne Soulnier Paris training planes, 3 Mirages, three Tucanos, 3 T-34 Mentors, 2 Pampas, 2 Guaranis, and 2 A-4B type planes. As for this last type of plane, if we add the 19 planes that were lost during the Malvinas we will have a total of 21, without taking into account the accidents that are almost sure to have happened but were kept unreported. Consequently, the purchase of the A-4M Skyhawks, with or without the controversial radars, would hardly compensate for the losses that have so far occurred. We are talking about a noble plane that flew for the first time in the United States in 1954, and which was built at the special request of the U.S. Navy, which wanted a light fighter bomber that could take off from an aircraft carrier and reach 50,000 feet (15,340 m) in less than five minutes. These planes had positive performances in several theaters of operation, including the Malvinas, where a handful of brave men managed to even sink ships that had so far been considered unsinkable.

Traffickers Arrested, Over 100 Kg Cocaine Seized in Capital

PY2511222693 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1833 GMT 25 Nov 93

[Text] Buenos Aires, 25 Nov (NA)—After various combined operations carried out today by federal and Buenos Aires Province policemen in this capital and in greater Buenos Aires, more than 100 kg of high purity cocaine have been seized, and between eight and 10 drug traffickers have been detained.

The most important operation was carried out in a house at 84 Biron Street, in the federal capital district of Villa Luro, where 10 kg of cocaine were seized. Other 60 kg of cocaine, which were hidden in a vehicle parked outside this house, were also seized.

Police sources reported that two people were detained in this operation.

In various operations carried out by the Federal Police Dangerous Drugs Federal Operations Division and by the Buenos Aires Province Police Northern Zone Drug Trafficking Division in the federal capital and in greater Buenos Aires, other 30 kg of cocaine were seized.

San Isidro Federal Attorney Carlos Villafuerte believes that about 117 kg of cocaine might have been seized.

The police sources reported that two Bolivian citizens, who reportedly own the house at 84 Biron Street and who were detained during the operation, might be the ringleaders.

San Isidro Federal Judge Roberto Marquevich is hearing the case.

Bolivia

Minister Interviewed on Chilean Trade Ties

PY2811022093 Santiago EL MERCURIO in Spanish 14 Nov 93 pp D26-D27

[Interview with Bolivian Industry and Commerce Minister Carlos Morales Landivar by Magdalena Ossandon in Santiago; date not given]

[Text] [Ossandon] How was your mission to ensure and firm up commercial agreements with Chilean businessmen?

[Morales] We managed to firm up several export operations, and new trade possibilities are being opened up in such areas as jewelry, manufactured leather products, and the import by Chile of soybean cake, in addition to what is already being exported, totaling some $5 million. All this is being carried out within the framework of the economic complementation agreement signed between Chile and Bolivia.

[Ossandon] Is it possible to establish "joint ventures"?

[Morales] That is the message I have released. Bolivia has its own "free trade treaty" with the United States, which is the Law on Andean Tariff Preferences, by which the United States grants us more than 6,000 products with zero tariffs. As Chile is well aware of the mechanics of export, it has developed high-level technology and knows the markets well; we are proposing that Chile join us in selling to the United States as well. I think Chile, through Bolivia, can increase its exportable supply. Integration between our two countries can then begin there.

[Ossandon] Do the Chileans seem a bit evasive, or indifferent?

[Morales] No. They have great interest in investing in Bolivia. We have seen that in the energy sector, in the field of telecommunications, and in the rail sector. They are also very much interested in the capitalization process we are implementing.

[Ossandon] Do you feel they are a little arrogant, perhaps?

[Morales] No. Absolutely not. I think they have expressed much interest. The meetings have been very cordial. We have also agreed that the first meeting of the Administrative Commission of the Economic Complementation Agreement will be held in La Paz on 27 November, and an important group of Chilean businessmen will attend.

[Ossandon] How would you define the Bolivian economic situation at this moment?

[Morales] Bolivia has a stabilized economy. Our inflation is at approximately 10 percent yearly, and its growth rate is between 3.5 and 4 percent. This administration feels that this 4 percent is insufficient for reaching the

goals we have set for achieving a reduction in poverty. For this reason the government plans to seek higher growth rates.

[Ossandon] Do you think we will soon see Bolivia among the group of Latin American "tigers?"

[Morales] If we are successful and manage to achieve a growth of 8 percent; we are convinced that if we fail to become a part of the group of tigers, we are going to end up part of the group of mice, and then the tigers will eat us up. We would rather believe that we are going to become tigers.

[Ossandon] What about the privatizations or the capitalization process?

[Morales] Capitalization is a new concept which involves the private contribution of capital to companies, based on the idea that those who contribute will handle and administrate them. This is not the same as privatization, because here the state does not sell but is a partner.

[Ossandon] Do you think Chile is becoming stagnated in the so-called economic "modernization? What can be achieved, and surpassed, by Bolivia, for instance?

[Morales] This is a very important issue. We believe that the world economy is so dynamic that one must be transforming continuously. We began a privatization process very late, and made up the idea of capitalization. We are living in a world in which there is tremendous doubt about what can happen to international trade. A Mercosur [Common Market of the South] has emerged, there are doubts about the future of regional pacts; very soon we will probably be confronted with the NAFTA agreement between Mexico and the United States. In a world which is changing continuously—where the socialist economies have disappeared—adaptation, modernization, and changing policies is a must, because competition is too great. The countries are competing for markets and capitals. Bolivia is in that game, and I think Chile is also. We have just verified it with the case of Codelco [Copper Corporation].

[Ossandon] What is the reason for the Bolivian change from the "resentful child" attitude toward our country, as reflected by this new interest in strengthening trade relations with Chile?

[Morales] Well, that is an opinion... (laughs loudly). I do not think there is a "resentful child" position. I think the peoples and the two countries' economic and academic agents have not only been continuously integrating, but also working together. For instance, at present there are more than 800 Bolivian students attending Chilean universities. Chile exports products worth over $100 million to Bolivia. Some segments of our societies probably have defined positions regarding what Chilean-Bolivian relations should be. However, Bolivia and Chile are today seeking to face the problems, not each other or their peoples.

[Ossandon] Has there being a change of mentality in Bolivia?

[Morales] The change of mentality is not a point of friction. There has been a process of approaching one another for a long time. Our country is finishing the stretch of the Patacamaya-Tamboquemado highway that is in Bolivian territory, and we are witnessing an energy integration in the north. We cannot so easily categorize the Bolivian people's attitude. I am sure we will resolve our problems if we can integrate ourselves in all aspects affecting the relations between two nations.

[Ossandon] Is it not necessary "to have a sea coast" to achieve full economic development?

[Morales] A country's advantages and disadvantages are today measured in terms of costs. Bolivia has transport problems. The costs for reaching sea ports is too high. Bolivia is working on a way out to the Atlantic Ocean, in a very imaginative way, with Brazil, Paraguay, and Uruguay through the Parana-Paraguay Waterway. We think the essential thing with respect to Chile is not only free access from the point of view of frequency and the trustworthiness of communications, but also costs that must be absolutely competitive. That is, if a product can reach port without problems, if we have the necessary frequency, the service, and the port at a reasonable price—that is, a competitive cost—then Bolivia will be able to have an exit to the sea. What Bolivia needs is an exit to the world, and for that to be possible it needs a port.

[Ossandon] Has the port of Ilo met these expectations?

[Morales] It is an extremely interesting project. It is an alternative that will meet expectations only to the extent that its conditions are met: access, frequency, good service, and the advantageous costs of transportation.

[Ossandon] In other words, Bolivia's problem mainly involves a ports problem?

[Morales] It involves a problem of transportation to the ports, ports costs, and ports management.

[Ossandon] Have you received any instructions from President Sanchez de Lozada to make an attempt to reduce the trade balance which is unfavorable for Bolivia?

[Morales] The trade balance issue worries us considerably. Although the trade balance will not be reduced through instructions or decrees—but rather through imagination in manufacturing exportable products, and aggressive trade policies—in this trip we are studying the Chilean market to explore other possibilities for introducing our products into this market.

[Ossandon] Bolivia has complained that Chile is not purchasing Bolivian products, while you are actually purchasing Chilean products. What is wrong with what

Bolivia has to offer, which makes its products unattractive? (Bolivia exports a total of barely $17 million, while Chilean exports to Bolivia total $120 million).

[Morales] It is not the countries which are purchasing, but entrepreneurs or trade circles. Concerning Bolivian exports, many Bolivian raw materials face the barrier of transportation costs for reaching such markets as Santiago and other markets. Some products which are included in the complementation agreement—such as oil—and which have tariff exemptions, face the barrier of a price bracket which, coupled with the transportation cost, does not make them very profitable. We must seek complementation with Chile. For example, we must offer tropical products that Chile does not have, or new varieties of wood.

[Ossandon] To what extent have EEC protectionist measures affected Bolivia?

[Morales] There are relatively few Bolivian exports of raw materials to the European states. We have been affected to the extent that the EEC protectionist measures have affected the international community as a whole, causing negative projections, recession, and a decline in mineral prices, which has actually indirectly affected us. We are concerned about protectionist measures because to the extent that these measures are implemented in the world each country does the same, creating a chain that is detrimental to everyone.

[Ossandon] In what direction should the Latin American continent's markets point? What is the Bolivian strategy?

[Morales] We will do two things. First, increase our participation in international trade (and, to this end, we are trying to also achieve an agreement with Mexico) and, second, promote interregional trade.

[Ossandon] German Molina, Chilean transport and telecommunications minister, has reported a Bolivian lack of reciprocity in the transportation of overland cargo, in that Bolivian truckers may transport cargo to Arica, while Arica truckers may not transport cargo from Bolivia to Arica. What is the reason for this lack of reciprocity?

[Morales] We have just discussed this issue with Economy Minister Jorge Marshall. We have decided, within the framework of the complementation agreement, to carefully check the information—which is reliable and impartial—on what is happening, because the same report exists on the Bolivian side, namely that they have problems with Chilean truckers. Apparently there is a sort of monopoly in which Chilean trucks that go to Bolivia may not load any cargo, and vice versa. In a nutshell, this makes transport more expensive, because no one will make a free trip without any cargo. This issue will be discussed jointly, and I hope it will be resolved soon.

[Ossandon] How do the Bolivian people view this rapprochement with Chile? Do they have any prejudices?

[Morales] No. The president's trip to Chile served as a magnificent opportunity to gauge their reaction. When the president returned to Bolivia, the Chilean people played the leading role. All the media and various organizations and institutions emphasized the Chilean people's positive attitude toward our president. A new trend, by which we again look at each other across the chain of mountains that separate us and jointly seek a way of advancement, has emerged.

[Ossandon] How will Chileans be received who want to invest in your country?

[Morales] If the Chileans who came to sell their products were made welcome—and the best way of gauging this is that their products have been purchased—the Chileans who come to invest will be more than welcome. In addition, there are already Chilean investors. For example some supermarkets will soon be opened in the cities of Santa Cruz and La Paz, and there are distribution chains for Errol's Videos in Bolivia's main cities. These are just minor samples that make everything clear.

[Ossandon] The Bolivian Government has emphasized that advancing in trade relations does not involve giving up Bolivia's sea outlet claims. Do the Bolivian people understand this?

[Morales] They do. We believe we must use imaginative methods to solve our problems. And the way of solving them is to become better acquainted and to understand each other, so as not to hold a dialogue between deaf people. The best way to begin is through mutually beneficial relations. If we manage to achieve an energy integration in the north and a good infrastructure integration, we will obviously resolve the problems gradually, and a solution will unexpectedly crop up on our way.

[Ossandon] With the current status of international competition, do you believe Bolivia should dedicate itself to growing, and not go on complaining about its shortages?

[Morales] This represents an accusation rather than a question (laughs). Bolivia does not complain about its shortages. I believe all nations are inclined to protest. In Santiago, the people protest over the pollution. We believe we are the only ones who can resolve our own problems. And we are working on this.

[Ossandon] Is this the right time to look at the future and no longer remember the past?

[Morales] (laughs) Another accusation. When you drive a car on the street, if you look into the rearview mirror all the time you will crash. Nevertheless, you do have to look into the rearview mirror every once in a while. I believe there must be a balance between looking forward, maneuvering so as not to crash and advancing, and looking into the rearview mirror every once in a while so

as to see what is happening. I believe this is appropriate. Obviously, looking forward must prevail.

Bilateral Talks Held With Chilean Foreign Ministry Official

PY2511185993 La Paz Television Nacional Network in Spanish 1700 GMT 25 Nov 93

[Text] Bilateral talks between Bolivia and Chile began today. The Chilean vice foreign minister [not further identified] said in his opening speech that his country, the Chilean foreign minister, and his government are willing to pursue fruitful relations between the two countries.

[Begin recording] [Chilean official] It is my wish to assert that the purpose of the Chilean Government is to convey through my presence in this city its very clear and unequivocal willingness to begin jointly with Bolivia a new stage of understanding for action in the positive spirit of bilateral relations. [end recording]

This was the opening ceremony of the bilateral talks in the Foreign Ministry, which will continue over the next three days. There were two issues considered very important: the storage of minerals in Arica, and the economic complementation agreement between the two countries. In the next few hours we are expecting good news from Chile, and are actually getting a bit ahead of it here. The Chilean decree by which Bolivians and Peruvians can purchase land in Arica or in the Tenth Region in Chile has reportedly already been signed. This will help Bolivian and Peruvian investment capital in that region.

Yungas Coca Growers Refuse To Reduce Coca Production

PY2711134493 La Paz Radio Fides Network in Spanish 1100 GMT 27 Nov 93

[Text] Coca producers from the La Paz Yungas region have expressed their firm decision not to eradicate one centimeter more of their coca plantations.

In a 26 November news conference, the coca producers stated that U.S. meddling and the alternative development program's failure have alerted the coca producers to defend the traditional coca leaf.

Brazil

Commentator Views Intensified Trade Relations With PRC

PY2611232193 Rio de Janeiro O GLOBO in Portuguese 25 Nov 93 p 27

[Commentary by Carlos Tavares de Oliveira: "The Force of the Brazil-China Bloc"]

[Text] The visit of President Jiang Zemin has intensified, and now at the highest level, relations between the two largest nations in Asia and Latin America. Visiting Brazil this year already have been Foreign Minister Qian Qichen and Vice Premier Zhu Rongji, the new conductor of the PRC economic policy. Moreover, in addition to the visit to Beijing by the ministers of communications and of science and technology, China was the country receiving the largest number of Brazilian commercial delegations this year. Bilateral trade will consequently almost double in relation to the $600 million recorded in 1992.

The so-called Asia-Pacific is the region with fastest economic growth on the planet, and is already considered the principal market of this the last decade of the 20th century. Transactions between the United States (leader in international trade) and Asia in 1992 were 50 percent higher than trade with countries of the Atlantic, including Europe. Within that framework China's presence stands out, especially because after the historical economic opening decreed by Deng Xiaoping in 1979, it has been accruing an impressive number of records in several activities. In those 13 years the PRC recorded the best average rates in economic expansion (10 percent) and in exports (12 percent), and was the country receiving the largest amount of foreign investments, reaching $150 billion. It is the main producer of cereals (442 tonnes in 1992), assumed fifth place in petroleum production, and fourth in the production of steel and electricity. China also developed in an outstanding manner in the field of technology, becoming a nuclear power and owner of an important aerospace industry, especially in the area of launching commercial satellites.

The tightening of (political, commercial, and cultural) relations between the two countries—one in accelerated economic growth and the other beginning to find its destiny—will be of great advantage for the two countries, especially for Brazil. Especially in the economic area there is much to learn from Chinese wisdom, notably concerning the intelligent manner with which it deals with foreign capital and exports. Of course without foreign investments there would be no "Chinese miracle," regardless of the country's tremendous potential and the tenacity of its people. It is of no use to have unfathomable underground (or under the sea) deposits of petroleum or other minerals if there are no resources to exploit them.

The pragmatic Chinese people have given a lesson to the world—especially to Brazil—on how to take advantage of foreign capital without touching the state monopoly or the constitution. According to Deng's irrefutable thought, the sovereignty of a nation is defined by its economic independence. Cutting research, failing to exploit existing reserves because of a lack of funds, or consuming precious currency in petroleum imports are regrettable mistakes which display a dependency on other countries. The growing incentive to export is the other basic point of the Chinese economic policy which deserves to be followed by Brazil. In the Special Economic Zones—Shenzhen, Zhuhai, Shantou, Xiamen, and Hainan [names as published]—which are turned to the foreign market, there is no tax burden, and there is

no lack of official financing to increase production. In 1980 Brazilian exports totalled $20 billion, while Chinese exports reached only $18 billion. With the benefits of the opening policy PRC exports will this year be over $90 billion, while those of Brazil will reach only $40 billion.

Moreover, the PRC will also have considerable advantage in tightening its relations with Brazil, which could become its greatest supplier of iron ore, in addition to becoming the base for re-exports of Chinese products to other South American countries. The possibility of establishing joint ventures in the field of commercial satellites has not been ruled out, especially for their sale and use with third countries of the continent, under better conditions than those offered by U.S. and European competitors.

In fact, the best aspect of that auspicious union between Brazil and the PRC goes beyond their respective territorial limits to the broad concert of nations. By the end of the century greater China (including Hong Kong and Taiwan) will have 1.3 billion inhabitants, and its gross domestic product, according to new World Bank/IMF estimates, will not be too far from the U.S. GDP. And Brazil, already in a stage of recovery, is because of its size, population, and continuous production by far the main Latin American country. Undoubtedly the great prospect for a broad agreement between the two giants will strengthen the two in future international confrontations. Thus, as an immediate effect, it emerges as an embryo of the authentic and natural leadership that was needed for the more than 100 developing nations to confront, in the political and economic clashes, the powerful and exclusive Group of Seven comprised of the United States, Germany, Japan, France, England, Italy, and Canada.

Ministers Running for Office Announced; Cardoso Included

PY2611231293 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 26 Nov 93

[Report by Luiz Augusto Mendonca from Planalto Palace]

[Text] Planalto Palace has released the names of the eight ministers who will leave the government on 6 January to run in next year's elections.

They are: Science and Technology Minister Jose Israel Vargas; Culture Minister Jeronimo Moscardo de Souza; Education Minister Murilio de Avelar Hingel; Finance Minister Fernando Henrique Cardoso; Justice Minister Mauricio Correa; Environment and Legal Amazon Region Minister Rubens Ricupero; Foreign Minister Celso Amorim; Health Minister Henrique Santillo; Labor Minister Walter Barelli; Federal Administration Secretary Romildo Caim; Strategic Affairs Secretary Mario Cesar Flores; Planning, Budget, and General Coordination Minister Alexis Stepanenko; and Attorney General of the Republic Geraldo Magella Quintao.

IMF Told Tax Collection Figures To Exceed Estimate

PY2511112993 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Nov 93 p B4

[Article by Jocimar Nastari]

[Text] Brasilia—The Federal Revenues Office has submitted data on tax collection this year to IMF delegation members visiting Brazil. According to Revenues sources, the experts voiced their satisfaction with these results. They said that for the first time in the past few years, tax collection figures predicted by the Brazilian Government in the beginning of the year will not only be fulfilled but surpassed.

The Federal Government's tax revenues should surpass the equivalent of $4 billion (836 billion real cruzeiros) in November. This figure is 21 percent higher than the $3.3 billion (690 billion real cruzeiros) obtained during the same month last year, according to a projection published this week by the Federal Revenues Secretariat.

Federal Revenues experts felt that this result is the consequence of the campaign against tax evasion and the advance collection of all federal taxes, as decided upon recently.

Of earnings of $700 million (147 billion real cruzeiros) in relation to November 1992, approximately $250 million (52 billion real cruzeiros) is the fruit of the early tax collection, it was reported. But that additional revenue will not be repeated because the effects of any revenue advance occur only in the month when the measure is implemented.

In December, the Federal Revenues Office is considering a collection of approximately $3.8 billion. That amount is almost 12-percent higher than that recorded during the same period last year.

Federal Revenues feels that 1993 should end with an accrued collection of between $45 billion and $46 billion (between 9.4 trillion and 9.6 trillion real cruzeiros).

If that is the case, the prediction for the beginning of the year will be topped by almost $5 billion (1.1 trillion real cruzeiros)

World Bank Report Reviews Latin American Economic Situation

PY2511220893 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Nov 93 p B13

[Report by Rolf Kuntz]

[Text] Brazil was one of the six Latin America countries that registered negative growth rates last year. It was also the champion in price increases, which totalled 1,157 percent over the year. In the other 16 countries, the economy grew at rates ranging between 0.5 percent in Mexico and 8.7 percent in Chile. The second largest

inflation rate after Brazil affected Peru. The Peruvian inflation rate topped 73.5 percent, but with an important difference: Prices in that country have been rising at slower rates than in previous years, while in Brazil the opposite is true.

These figures are part of a World Bank (IBRD) report entitled "Latin America and the Caribbean a Decade After the Debt Crisis." Regional countries' economies are, in general, stronger than in the 1980's. Their public accounts are either in order or undergoing an adjustment process. They support lower inflation rates and more open markets. The problem of poverty, however, remains great. "Countries could have been much more aggressive in reallocating public funds to solve selected social service problems without hurting their fiscal adjustments or seeking other objectives like efficiency," the document says. The poorest groups, comprising 20 percent of the population, receive close to 4 percent of the regional gross domestic product (GDP). It would be enough to reallocate 2.5 percent of the GDP, or close to 10 percent of public spending, to considerably improve the situation of the poorest, World Bank experts say.

Unequal Adjustment

The great foreign debt crisis exploded in 1982. Ten years later most Latin American and Caribbean countries had embarked in adjustment and reform programs—some of them, such as Brazil, with a long delay. Only in two countries, Mexico and Chile, does the reform process seems mature and consolidated: "Both countries have a second generation of reformist governments, and there are strong indications that the new governments will continue supporting modernization," writes the author of the report, Sebastian Edwards, chief economist for the Latin American and Caribbean region.

The document says that reform efforts have begun yielding positive results in most of the 22 countries. Balanced conditions have been created, export totals are growing, productivity is increasing, the foreign debts have been renegotiated and reduced, and foreign capital is returning. In 1991 there was a net entry of $5.2 billion into the region, after eight years of net transfer of resources to foreign creditors through interest payments. In 1992 this figure jumped to $21.6 billion. The total entry of capital was $42.8 billion, and remittals $21.2 billion, the latter interest and profits. Between 1986 and 1989 Latin America remitted a net annual average of $105.2 billion abroad to pay its financial obligations.

Latin American economic improvements, therefore, helped in the entry of a large volume of capital into the region over the past two years. The author could have recalled that Brazil over the past few years had had high inflation rates and recession, but despite these facts a large volume of capital entered the country. A total of $5.37 billion in 1990, $11.6 billion in 1991, and $17.79 billion in 1992, a figure that was exceeded by August of this year. The rate of investments was largely determined by the recession affecting the rich world and by interest rate reductions in the most important financial markets. These elements are mentioned in the report, as are the problems associated with them.

The entry of foreign capital into the Latin American economies upset the monetary policies, as the central banks had to issue money to use up their reserves. In addition, with more dollars available, there was an upward trend in the exchange rates. In some cases, such as those of Argentina and Mexico, foreign capital contributed to closing the balance of payments, and supported the overvaluation of national currencies. In these countries, imports increased and exports were more difficult to make, because their products were more expensive on the international market.

Deterioration

Overall, the best results were achieved in opening the economies, reducing public spending, increasing tax collection, privatizing, and reducing state involvement. Nevertheless, in many cases the adjustment was implemented by severely reducing public investments. Electrical, transportation, and telecommunications services have deteriorated seriously over the lack of funds. This may hamper economic growth.

According to the World Bank report the greatest deterioration, however, involves the population, even though infant mortality may have been reduced, basic health conditions improved, and education promoted "with moderate fiscal cost." A 1992 survey on the mathematical and scientific abilities of children under 13 years of age indicated: 1) Students from Argentina, Colombia, Costa Rica, and Dominican Republic were less educated than students from Asia (Thailand, for example) and the United States; 2) In a similar test, Brazilian students lagged behind students from Israel, China, Jordan, Korea, and Taiwan, and were ahead of students from Mozambique. This not only represents misery for millions. It also represents, for the companies, a growing inability to compete internationally.

Finance Ministry Reports Good Tax Collection Rate

PY2511152893 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Nov 93 p B6

[Article by Jocimar Nastari]

[Text] Brasilia—Inflation continues way up; the fiscal reform program, which is tied to the constitutional revision process, seems increasingly remote; and the holes through which public funds leak out are larger than envisioned at the beginning, as shown by the Budget CPI [Congressional Investigating Committee]. But Finance Minister Fernando Henrique Cardoso [FHC] has at least one successful story to tell: the Federal Revenue Service story.

The government will close the year with tax collections amounting to approximately $45 billion (9.6 trillion real

cruzeiros), the best result in the past three years. The figure represents nearly $3.5 billion (742 billion real cruzeiros) more than projected. These figures will even create a good impression on the IMF, which collects information on Brazil's economic performance.

The IMF experts, who are not used to collecting good news about the country, recognized that for the first time in the past few years Brazil will not only be able to fulfill its commitments with the IMF, but will top them. The revenue increase is the most concrete result of the FHC Plan so far. Tax collection in June was nearly $250 million more than the figure for June 1992. In July the difference increased to $500 million.

The Finance Ministry and the Federal Revenue Service recognized that the economic recovery has helped provide the increase. But studies conducted by the Revenue Service show that the largest part of the increase was obtained through tighter controls on tax evaders. The same study shows there is still a lot of room to increase collections even more by fighting evasion.

Federal Revenue technicians know that the volume of taxes that are not paid and must be collected—45 percent—is still high. For each real cruzeiro collected, 0.95 real cruzeiros are lost to evasion. Before the beginning of the program to fight tax fraud, tax evasion figures were around 50 percent of the amounts actually collected.

Experts think the fight on evasion will be tougher in 1994 because 1,300 new supervisors will be incorporated into the Revenue Service. At the end of the week President Itamar Franco should sign the provisional measure giving the Revenue Service more power to investigate potential tax evaders by looking into their external signs of wealth and following cash flows in order to fine those who do not report them.

Finance Minister Provides Details of 'Emergency Fund'

PY2611201193 Rio de Janeiro Rede Globo Television in Portuguese 1500 GMT 26 Nov 93

[Text] Besides explaining the proposal to increase federal taxes, which is the quota taxpayers will have to contribute, Minister Fernando Henrique Cardoso a few minutes ago also gave details about the emergency fund.

The fund would last two years, and 15 percent of all resources for states and municipalities would be deposited here and used by the federal government to pay for health programs, the social security system, and social programs. The fund would add 3.5 trillion real cruzeiros to the public treasury. The government will now have to negotiate with legislators the approval of the constitutional amendment that will permit the creation of the fund.

The responsibility for the 1994 federal budget is now in the hands of the national Congress.

Government Proposes 5-Percent Federal Tax Increase

PY2611202593 Rio de Janeiro Rede Globo Television in Portuguese 1500 GMT 26 Nov 93

[Text] The government wants to increase all federal taxes. Finance Minister Fernando Henrique Cardoso announced in Brasilia a short while ago the creation of an emergency fund that will be partly financed by a 5 percent increase in all taxes. The announcement was made during a meeting between Cardoso and the committee discussing cuts in next years' budget.

Congressional support. This is what the government needs to make the cuts in next year's budget. This is why Minister Fernando Henrique Cardoso decided to present the general figures of the 1994 budget to Budget Committee Chairman Senator Raimundo Lyra first. The economic team proposal includes a reduction in the transfer of resources to states and municipalities. The amounts in question would be deposited in a fund, the creation of which depends on a constitutional amendment.

[Begin Lyra recording] There is no economic solution, no solution that can bring about stability without sacrifices—everyone's sacrifices—including the federal government, states, and municipalities. [end recording]

According to Minister Fernando Herique Cardoso, the creation of this fund, which is being called the emergency fund, is an essential condition for balancing the budget. But society will also have to contribute. The minister is proposing to increase all federal taxes by 5 percent.

[Begin Cardoso recording] It is a small contribution by society. There will be a 5 percent increse in all federal taxes and contributions. This means that a person now paying 25 percent in income tax will pay 26.5 percent in the future. This is 5 percent over 25 percent. We have a strong political belief in social objectives. That is why we are doing all this. This is why we are resisting all temptations to become popular. We are not moved by a false popularity. We are not moved by any personal or political reason, or partisan consideration. [end recording]

Ω Nuclear, Missile, Space Developments

94P20100

[Editorial Report]

Government Refuses To Sign Non-Proliferation Treaty

Calling the Nuclear Non-Proliferation Treaty (NPT) "discriminatory," Brazilian officials have rebuffed visiting German Foreign Minister Klaus Kinkel's request that Brazil sign the treaty. During Kinkel's 7 October visit to Brasilia, Brazilian Foreign Minister Celso Amorim and Economy Minister Fernando Henrique Cardoso told him, according to a statement by Amorim in GAZETA MERCANTIL, that there was no need for

Brazil to sign the NPT, because other existing agreements are "more than sufficient" to demonstrate Brazil's resolve to use nuclear energy for peaceful purposes. They pointed to the quadripartite nuclear safeguards accord between Brazil, Argentina, the Argentine-Brazilian Agency for Accounting and Control of Nuclear Materials (ABACC) and the International Atomic Energy Agency (IAEA), together with the Treaty of Tlatelolco banning nuclear weapons in Latin America, as evidence of Brazil's peaceful intentions. During his visit, Kinkel also told Cardoso of his interest in seeing the federal senate ratify the quadripartite nuclear safeguards accord, which has already been approved by the Chamber of Deputies, as quickly as possible. In addition, he expressed strong interest in the continued construction of the Angra II nuclear plant, which would continue to purchase equipment from Siemens, as it has for the past for two years. Cardoso told the minister that a presidential decision has not yet been made with regard to continued construction, which is dependent on financing.

The question of nuclear safeguards dominated a good part of the discussions held in other meetings between German Foreign Ministry State Secretary Dieter Kastrup, Strategic Affairs Secretary Mario Cesar Flores, and Mines and Energy Minister Paulino Cicero that were convened during the visit. Kastrup noted that German exports in the area of nuclear technology will only be made to countries that are committed to nonproliferation. (Sao Paulo GAZETA MERCANTIL 8 Oct 93)

Angra II Viability Study Nears Completion

Mines and Energy Minister Paulino Cicero hopes to submit the results of viability studies on continuing construction of the Angra II nuclear plant to President Franco by the end of November. Cicero, who has been holding discussions with the German Government, Brazil's partner in the nuclear program, affirmed that the final details are being worked out for "the concession of guarantees" for German funds approximating $780 million and Brazilian funds of roughly $800 million.

Cicero told GAZETA MERCANTIL that the request made to the Brazilian Government by a group of German deputies to suspend the nuclear accord between Brazil and Germany should not have major consequences. "Elections for the German Parliament will be held during the coming year, and we have been expecting the opposition to make some statement designed to torpedo the accords reached by the current government with other countries." (Sao Paulo GAZETA MERCANTIL 4 Nov 93)

Bilateral Relations, S&T Talks Held with India

At a 15 September luncheon for Indian Minister of State for External Affairs Salman Khurshid during his visit to Brazil, Brazilian Foreign Minister Celso Amorim called for further improvements in the existing bilateral relationship. He stated that while the two countries have been joint partners defending important causes, the wide-ranging interests of developing nations, the mutual relationship is far from realizing the potential for cooperation that has "as yet been scarcely explored." In line with the resulting need for more frequent political consultations, Amorim noted that the Brazilian Foreign Ministry is preparing to participate in the upcoming high-level meeting of the Group of Is convening in New Delhi. Amorim also drew attention to ongoing discussions between Brazil and India in the areas of agricultural and scientific research in general, biotechnology, informatics, space sciences, and nuclear energy for peaceful purposes. Shortly, he said, "the discussions that have already begun will be institutionalized through cooperation agreements and programs." The same day, Brazil and India signed a railroad agreement involving the exchange of technicians from the two countries seeking to improve transportation systems and techniques. (Brasilia CORREIO BRAZILIENSE 16 Sep 93)

Russian Arms Swap Accord Under Consideration

The Brazilian Foreign Ministry has not confirmed the reported imminent signing of a large commercial accord with Russia involving the exchange of Russian arms for coffee, cocoa, meat, and other Brazilian products. According to a Foreign Ministry source, consideration is being given to the signing of a protocol in Moscow in December by Minister of Industry and Commerce Jose Eduardo Andrade Vieira; however, technical questions concerning foreign exchange and credit are still to be resolved. The government has been studying the proposition with a view to possibly upgrading Armed Forces equipment. (Rio de Janeiro JORNAL DO BRASIL 5 Nov 93)

Lower House Approves Creation of Civilian Space Agency

On 27 October, the Chamber of Deputies approved an executive branch draft bill creating a civilian Brazilian Space Agency (AEB). Approved as a result of an agreement between congressional party leaders and the federal government, the bill will be forwarded immediately to the Senate and is expected to be approved by President Itamar Franco by the end of November.

According to Federal Deputy Jose Abraao (Brazilian Social Democracy Party (PSDB)-Sao Paulo), "the government intends to pass the bill into law in time to be included in next year's budget." Abraao added that the government representatives, Aeronautics Minister Lelio Viana Lobo, Minister-Chief of the Armed Forces General Staff (EMFA) Arnaldo Leite Pereira, and Science and Technology Minister Israel Vargas, have pledged to abolish the Brazilian Commission for Space Activities (COBAE), which is subordinate to the Armed Forces and is currently responsible for the sector, within 90 days after the AEB is created. The AEB will be a federal agency under the jurisdiction of the Presidency of the Republic.

Among the principal amendments that resolved differences between congressional leaders and the executive branch is a provision to include a representative from the space sector's scientific and industrial community for a two-year term on the AEB executive council. An agreement to give the draft bill fast-track status was also reached in another meeting of party leaders convened by Chamber President Deputy Inocencio Oliveira (Liberal Front Party (PFL)—Pernambuco).

Science and Technology Minister Jose Israel Vargas also said, according to Agencia Brasil, that the Brazilian space industry is interested in entering the low earth satellite market, primarily in the area of telecommunications. Brazil, Vargas remarked, has the advantage of having successfully developed the technology to build that type of satellite, as well as having a strategically positioned launch site in Alcantara, Maranhao State. Brazil's first satellite of that type, the data collection satellite (SCD-1), was launched in January 1993. (Sao Paulo GAZETA MERCANTIL 28 Oct 93)

China-Brazil Space Cooperation Efforts Solidify

On 9 November in Beijing, Minister Vargas signed several protocols complementing the existing scientific-technical cooperation agreement with China, thereby intensifying relations between the two countries, primarily in the space sector. A protocol was signed between the Funding Authority for Studies and Projects (FINEP), the National Space Research Institute (INPE), and China's Great Wall Company allocating $15 million to launch two remote sensing satellites. Another accord, signed with the China KZ High Technology firm, will provide $50 million to promote technological partnerships between the two countries. (Sao Paulo GAZETA MERCANTIL 10 Nov 93)

Following his trip to the United States to attend the Asian-Pacific Economic Cooperation (APEC) meeting, Chinese President Jiang Zemin will arrive in Brasilia on 22 November where he and Brazilian President Itamar Franco will witness their respective foreign ministers' signing of several agreements involving space and science and technological cooperation. In addition to Brasilia, Jiang's agenda includes Itaipu, Manaus, Rio de Janeiro and Sao Paulo. On 25 November, he will tour the INPE facility in Sao Jose dos Campos, Sao Paulo where the China-Brazil cooperation venture in building two remote sensing satellites is being developed, and will lunch with Sao Paulo State Federation of Industry (FIESP) businessmen. Brazil will be the second country to be visited by President Jiang since he took office in March 1993. Franco will repay the presidential visit in March 1994. (Sao Paulo GAZETA MERCANTIL 2-3 Nov 93)

The Bank of Brazil will "advance" the Ministry of Science and Technology the sum of $21 million from the proceeds of the privatization program to fund the Chinese-Brazilian program for developing earth satellites. The privatization funds will be used to purchase some of the satellite instrumentation from Brazilian suppliers. The $21 million will assist in paying the Brazilian share of $50 million of the Chinese-Brazilian program, an amount corresponding to one-third of the total $150 million cost.

The program provides for the launching of two satellites, the first of which will take place in October 1996. According to Science and Technology Minister Jose Israel Vargas, "this satellite will be 10 times larger than the other Brazilian satellites that are in orbit." The equipment will weigh nearly 1.2 tons. The Chinese Government will be responsible for the development of the satellite's structure and its launch. Most of the equipment on board will also be Chinese. In the second launch, for which there is no date yet scheduled, Brazil will participate in the assembly and testing of the satellite as well, but the launch will be from a Chinese base.

In addition to the funds for the satellite program, the Science and Technology Ministry is counting on $64 million from privatization program proceeds to fund projects associated with the Complete Brazilian Space Mission (MECB). Roughly $28 million will be allocated to building the Satellite Launch Vehicle (VLS), and $11 million to construct the Alcantara Base launch platform. Another $25 million will be used to build a supersonic tunnel for equipment testing. (Sao Paulo GAZETA MERCANTIL 29 Oct 93)

Chile

Carabineros 1994 High Command Structure Reported

PY2511140393 Santiago LA TERCERA DE LA HORA in Spanish 14 Nov 93 p 49

[Excerpts] Carabineros disclosed the changes in the high command after President Patricio Aylwin approved the proposals made by Carabineros Director General Rodolfo Stange. [passage omitted]

According to the changes the following will be the structure of the Carabineros high command for 1994:

Carabineros deputy director, Inspector General Alfredo Nunez Allendes; inspector general, General Inspector Fernando Cordero Rusque; personnel director, Inspector General Manuel Ugarte Soto; order and safety director, Inspector General Oscar Tapia Perez; informatics and telecommunications director, General Juan Vilches Maldonado; chief of the Metropolitan Region, General Osvaldo Munoz Sanhueza; intendency director, General Jorge Contreras Mella; logistics director, General Luis Godoy Rodriguez; chief of the Fifth Region in Valdivia, General Guillermo Thompson Callejon; training director, General Miguel Moore Barrera; social security affairs director, General Cesar Urrutia Leon; chief of the Fourth Region in Concepcion, General Gustavo Lagos Robles; chief of the Sixth Region in Puerto, Montt General Julio Ulloa Vasquez; welfare director, General

Juan Salinas Lopez; chief of the Seventh Region in Punta Arenas, General Antonio Acuna Saavedra; intelligence director, General Cristian Fuenzalida Tobar; chief of the Third Region in the Central Region, General Hugo Aguayo Cabezas; justice service director, General Carlos Pecchi Croce; deputy chief of the metropolitan region, Colonel Luis Pulgar Fuentes; Higher Advisory Council chief, Colonel Julio Reuse Rodriguez; chief of the Second Region in Valparaiso, Colonel Luis Sueyras Moore; chief of the First Region in Antofagasta, Colonel Cesar Delgado Estrada; chief of the Eighth Region in Arica, Colonel Carlos Dondero Lencioni; and Health Service chief, Colonel Carlos Munoz Borges. [passage omitted]

Silva Cimma To Represent Aylwin at Group of 15 Meeting

PY2611130493 Madrid EFE in Spanish 1655 GMT 25 Nov 93

[Text] Santiago, 25 Nov (EFE)—The Foreign Ministry reported today that Foreign Minister Enrique Silva Cimma will represent Chile in the Group of 15 (G-15) meeting in New Delhi on 13-15 December.

Chilean President Patricio Aylwin decided not to attend because the meeting will begin only two days after the 11 December general elections in Chile, which will not allow him to arrive in time for the meeting's inauguration.

The Group of 15 comprises Algeria, Argentina, Brazil, Chile, Egypt, India, Indonesia, Jamaica, Malaysia, Mexico, Nigeria, Peru, Senegal, Venezuela, and Zimbabwe.

The group's objective is to promote and strengthen, without confrontations, South-South cooperation and North-South development and cooperation in the new international environment.

President Patricio Aylwin had planned to visit Germany and the United States on his return trip to Chile after the New Delhi meeting.

Rojas Signs Military Cooperation Accord With Malaysia

PY2711024793 Santiago Radio Cooperativa Network in Spanish 2200 GMT 26 Nov 93

[Text] The Chilean and Malaysian defense ministers have signed a bilateral military cooperation agreement.

The agreement was signed by Malaysian Defense Minister Mohamed Najib and Chilean Defense Minister Patricio Rojas during an official visit paid by Rojas to that Asian nation.

The agreement provides for cooperation in the military training field, exchange of information, and cooperation agreement in the war industry field.

During his visit to Malaysia, Rojas held several meetings with high-ranking Malaysian Armed Forces and Defense Ministry authorities.

Pinochet Says Unaware of Gen. Ballerino's Resignation

PY2611111193 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 26 Nov 93

[Text] General Augusto Pinochet, who today celebrated his 78th birthday, said he is unaware of General Ballerino's resignation from the Army.

Some of the almost 40 people who arrived to greet Gen. Pinochet did do so when he left to receive greetings from officers from the Santiago Garrison, headed by General Guido Riquelme.

Later Gen. Pinochet went to the Armed Forces building. In his office he received greetings from Corps of Generals members. Lieutenant General Jorge Lucar reaffirmed the Army's loyalty to its commander in chief.

Pinochet was at ease. However, hovering in the air was the report on the resignation of one of his closest aides, Gen. Jorge Ballerino, who requested his retirement because he found President Aylwin's decision to extend Gen. Lucar's term as deputy Army commander a veto of his promotion to that post.

This conflictive situation was probably what prompted Gen. Pinochet to stress the fact that, first and foremost, the Army and its top command must maintain its unity:

[Begin recording] When an Army is divided, it is an Army that can be destroyed easily. When an Army is united, it is an Army that cannot be defeated easily. [end recording]

Later, after an informal talk with the media, he confirmed that by President Aylwin's decision, Gen. Lucar's term in office has been extended as deputy Army commander. He said he has not received the documents showing Gen. Ballerino's confirmed resignation yet.

Secretary general of government Enrique Correa explained that the president of the Republic has accepted the list of promotions submitted by the Army commander in chief and that he did not veto Gen. Ballerino.

[Begin Correa recording] President Aylwin expressed his desire to keep Gen. Lucar in his post as deputy Army commander and used his powers to extend the term in office. But in no case was there an intention to undermine the professional career of an officer as brilliant as Gen. Ballerino. [end recording]

Aylwin Terms Army Promotion Decisions 'Appropriate'

PY2611202793 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 26 Nov 93

[Text] Chilean President Patricio Aylwin said today that the decisions adopted by the Army on promotions and retirements for 1994 are those that are most appropriate for the country and for the military institution itself.

After the traditional Friday mass, and upon celebrating his 75th birthday, President Aylwin was greeted by cabinet members and La Moneda Palace officials.

[Begin recording] [Unidentified reporter] What can you tell us about the retirement of General Ballerino?

[Aylwin] Look, it is a personal decision. I do not know whether it has been accepted. I have no opinion on the matter.

[Reporter] Does this concern the Army, then, as it has been said that the government objected to Ballerino's promotion to deputy commander in chief of the Army?

[Aylwin] It is the president's prerogative to make decisions on promotions and assignments of the high-ranking officers of the Armed Forces. And the president of the Republic has exercised that prerogative after a dialogue with the commander in chief of the Army. I believe the decision adopted is that which is most appropriate for the country and for the Army itself. [end recording]

The president then said that he sees no reason for the government decision to ask the Supreme Court for a special judge to investigate the Soria case to become a source of tension with the Army.

After making these remarks at La Moneda Palace, the president went to the Honor Hall of the former national Congress, where he participated in the closing of the fifth Conference of Latin American journalists. By the express initiative of the Peruvian Reporters Association, Aylwin received a decoration for his defense of freedom of expression. President Aylwin reaffirmed his government objective that the new press law be approved by Congress before the end of his term in office.

Candidates Frei, Alessandri Debate Domestic Issues

PY2611223993 Madrid EFE in Spanish 0441 GMT 26 Nov 93

[Text] Santiago, 25 Nov (EFE)—Senators Eduardo Frei and Arturo Alessandri, the two main presidential candidates in the 11 December general elections, were divided today in their opinions of the meaning of the almost 17 years of the military government of General Augusto Pinochet.

Frei, who is a militant of the Christian Democratic Party representing the government alliance "Coalition of Parties for Democracy," and Alessandri, representing the rightist opposition, debated today on all television stations their ideas for an hour and 45 minutes.

While Frei supports the reform of the 1980 Constitution, giving back to the president his right to appoint the commanders of the Armed Forces and the high military command "the way it is in all democratic countries," Alessandri said he does not support the constitutional reform, and accused his rival of trying to "dismantle" the Constitution.

The question referred to the fact that the current commanders of the Armed Forces, including Gen. Pinochet as Army commander, will hold their posts until 1997, because they cannot be removed until that year.

Another difference was their opinion on privatizations, especially the state Copper Corporation, Codelco, which Frei refuses to privatize, while Alessandri thinks differently.

The question about Codelco is related to the fact that this year 40 percent of the state company's profit will go to the Armed Forces, and if the copper prices remain low, next year the state contribution will be 70 percent of the profits.

Frei said the Armed Forces budget "should be part of the national budget."

Frei added: "In Congress we only approve the budget for routine spending. All the investments are made from the funds received from Codelco, and no company can bear that burden."

Alessandri clearly said that Codelco should no longer be a state company, that it should be divided and gradually incorporated into the private sector.

The presidential candidates, who answered questions from five reporters, two questions from each, and 16 questions from the public in the Honor Hall of the former Congress building in Santiago, discussed mainly issues of local interest such as health, pensions, and crime.

No reference was made of Chilean foreign relations or the demands of workers and unions.

Regarding the seven-year sentence given General Manuel Contreras, retired, former secret police chief, Alessandri said that Gen. Pinochet, as former head of the military regime, should not assume political responsibility for this case.

Alessandri was reminded that his grandfather, former President Arturo Alessandri Palma, has assumed the political responsibility for the street killing of neofascists. Alessandri replied: "He did that voluntarily. I do not share in that."

Alessandri insisted that the final ruling by the Supreme Court on Gen. Contreras' sentence is still pending. He underscored that with regard to the murder of former Chilean Foreign Minister Orlando Letelier, which occurred in Washington, D.C. in 1976 and which was laid to Gen. Contreras' charge, "no ramifications have been discovered" that could incriminate Gen. Pinochet.

The right-wing presidential candidate moreover recalled that under Gen. Pinochet, health care and crime were better addressed than now, under the administration of the incumbent president of the Republic, Patricio Aylwin, who was elected in 1990 on the ticket of the same coalition that now fields Eduardo Frei.

In his closing remarks, Frei broached the issue of the moral commitment of politics, and recalled that when he went on the stump over the length and breadth of the country "I talked with people about their dreams, joys, beliefs, and problems." He concluded by saying "Chile is possible."

Alessandri, for his part, recalled his forefathers who had held the office of president, namely Arturo Alessandri in 1925 and Jorge Alessandri in 1958.

Despite the fact that all public opinion polls show that Frei is the favorite, Alessandri asserted that he deemed it "unlikely that he should lose the election," and reiterated that "I do not lend much credit to surveys."

The holding of this debate has sparked off complaints by the other four presidential candidates, who have obtained 3 percent or less of the vote each in public opinion surveys.

They are: Manfred Max Neef, an environmentalist; Jose Pinera, a right-wing independent candidate; Eugenio Pizarro, a Catholic priest representing the Communists; and Cristian Reitze from the Humanist-Green Party.

Investigative Police Break Up Terrorist Group

PY2711134993 Santiago Radio Cooperativa Network in Spanish 1000 GMT 27 Nov 93

[Excerpt] On 25 November, Investigative Police raided two houses in two different areas of Santiago and routed an extremist group. The raids resulted in the arrest of two individuals.

(Juan Fidelhouse), Investigative Police Operations deputy director, confirmed the news.

[Begin recording] [(Fidelhouse)] Police raided two houses yesterday. One of them was located in San Bernardo and one in La Florida. Police also seized some weapons and explosives.

[Unidentified reporter] Have police arrested anyone?

[(Fidelhouse)] The police arrested two individuals. The department is investigating their involvement in other incidents.

[Reporter] [Question indistinct]

[(Fidelhouse)] No, they do not belong to the same group.

[Reporter] Do you think the incident was caused by the electoral climate.

[(Fidelhouse)] No, we did not find any indication linking this affair with the election.

[Reporter] Are they members of the Lautaro or Manuel Rodriguez terrorist front?

[(Fidelhouse)] We are investigating it. We seized a M-16 rifle, explosives, and a grenade. [passage omitted]

Colombia

Communist Party Executive Committee Member Assassinated

PA2611141393 Paris AFP in Spanish 0330 GMT 26 Nov 93

[Text] Santa Fe de Bogota, 25 Nov (AFP)—Jose Miller Chacon, a member of the Executive Committee of the Communist Party of Colombia (PCC), was shot to death the evening of 25 November in southern Santa Fe de Bogota, police sources and PCC militants have reported.

According to preliminary reports gathered at the scene of the crime, Miller, who was on his way home in his vehicle, was intercepted by several unidentified men who shot him and then fled.

Upon confirming Miller's assassination, Oliverio Cullar, another PCC leader, blamed "hired assassins working for dark interests determined to eliminate the Colombian left" for murdering Miller, but he did not state whether the victim had received threats.

Escobar Family Departs; Pablo Surrender Reportedly Imminent

PA2811024193 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0131 GMT 28 Nov 93

[Report by Alexandra Ortiz and Juan Carlos Lopez; from the "TV Today" newscast]

[Text] Pablo Escobar's family is en route to Germany at this moment. This could open the doors for a second surrender of the man who escaped from La Catedral Prison over two years [as heard] ago. This is how the events occurred:

Pablo Escobar's family arrived in Santa Fe de Bogota at 1425 aboard Avianca Flight 315 from Rionegro Airport, Antioquia Department. Maria Victoria Henao, the wife of the most sought after man in the world, and her children, Juan Pablo and Manuela, arrived accompanied by more than 40 heavily armed members of the Attorney

General's Office. They are the same men who protected them several months while they stayed at a building in Medellin.

The Escobars were brought in a small van to the international lounge at Eldorado Airport, where journalists were even attacked by the police. Once in the international lounge, the Escobars carried out immigration procedures with the Colombian authorities. They strolled through the area and waited for the airplane that would take them to Germany.

The airplane arrived in Eldorado Airport at approximately 1800. The security measures were increased. Preparations for the Escobars' departure from the country began months ago and everything was stepped up given the attacks against them up to a week ago.

Escobar's relatives left for Germany following a long wait, which they spent in an immigration lounge in Section B. They waited for many hours, during which officials who protected them had to bring food. These scenes recorded by "TV Today" newscast show Escobar's children, Juan Pablo and Manuela, when they went to carry out the necessary immigration procedures to leave the country.

The German Government has stated it will not receive the Medellin Cartel leader's family. We have learned Germany will not grant Pablo Escobar's family asylum until he surrenders. "TV Today" has also learned Escobar is exerting himself to the utmost so he may surrender to Colombian justice in a matter of hours—before 0700 [1200 GMT on 28 November].

Search Bloc Kills 'Drug Trafficker' Juan Camilo Zapata

PA2711021593 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 27 Nov 93

[From the "24 Hours" newscast]

[Text] The Search Bloc today killed Juan Camilo Zapata. The action took place in Copacabana Municipality, Antioquia Department. Zapata was better known as the owner of the famous Marroquin Castle, in northern Santa Fe de Bogota.

According to the authorities, Zapata had links with drug-traffickers. The authorities reported that the police unit that searches for Pablo Escobar, the Search Bloc, killed Juan Camilo Zapata, an alleged drug trafficker accused of being one of the most notorious henchman of the late drug trafficker Jose Gonzalo Rodriguez Gacha, alias El Mexicano.

Juan Camilo Zapata was one of the owners of the Marroquin Castle in northern Santa Fe de Bogota. One of his bodyguards was also killed in the same municipality.

ELN, Drug Traffickers Linked to Londono Murder

PA2811042293 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 27 Nov 93

[From the "NTC" newscast]

[Text] The security organizations investigating Senator Dario Londono's assassination have discovered a new connection between the ELN [Army of National Liberation] and drug-trafficking groups.

A secret police report on Senator Dario Londono Cardona's murder hints at the thesis that drug traffickers may have paid a million-dollar amount to the militias of the ELN so they would carry out the assassination.

The report is based on the latest statements by the National Guerrilla Coordinating Board, which has repeatedly asked that drug traffickers be taken into account for any dialogue.

According to the secret report, the "Luis Fernando Giraldo Huiles" Front [of the ELN], which operates in Antioquia Department, is one of the most financially powerful fronts and it even sends money to other fronts in the country. This leads investigators to think that the subversive front receives money from drug-trafficking groups for favors and accomplished missions.

The report also warns of the close and dangerous alliance established in the country's jails between the guerrilla leaders and drug traffickers.

Gaviria Rules Out Legalization of Drug Trade

PA2711151993 Santa Fe de Bogota EL TIEMPO in Spanish 20 Nov 93 pp 1A, 6A

[Interview with President Cesar Gaviria Trujillo by an unidentified reporter in Santa Fe de Bogota on 19 November—first four paragraphs are an introduction]

[Text] A seminar held in Baltimore (United States)—a seminar attended by Colombian Prosecutor General Gustavo de Greiff—in which the legalization of illicit drugs was recommended has prompted a strongly-worded statement from Narino Palace.

After affirming yesterday that the Cali Cartel and other drug trafficking organizations will disappear just as the Medellin Cartel has, President Cesar Gaviria stressed legalization was not a viable alternative to drug trafficking, adding that the struggle will continue "to rid the nation of this scourge." The head of state, who regarded the future legalization of drugs as an academic discussion and described current analysis as incomplete, was responding to some statements made during the Baltimore seminar.

The event, which was held on Tuesday and Wednesday of last week, was organized by the Baltimore Mayor's Office. In attendance were some 80 politicians and

judicial and police authorities from 18 countries. In addition to De Greiff, former Justice Ministry Secretary Enrique Cavelier and Senator Enrique Gomez Hurtado attended on behalf of Colombia.

Yesterday, EL TIEMPO interviewed President Gaviria on the proposals that came out of the seminar, and he outlined the government's position as follows:

[EL TIEMPO] Prosecutor de Greiff stated at the Baltimore seminar that the war on drugs is a lost cause, repression is a failed policy, and the only way to resolve the problem is to legalize drugs. Does your government agree with these remarks?

[Gaviria] I have not seen the full text of De Greiff's remarks. At this point, however, I want to say the Colombian Government does not consider the legalization of drugs an adequate solution to a very complex problem. Leniency will lead to greater levels of addiction and human suffering, although it may in the future—and I personally doubt this—discourage violence to some extent.

The correct remedy to drug trafficking is one that simultaneously attacks both supply and consumption in a balanced and coordinated manner. The entire world has to do more to combat drug use, but we cannot wait for this to happen or somehow lessen our offensive against drug traffickers. Legalization is not the solution. The policy of interdiction, which Colombia has successfully implemented with the help of the United States, has made narcotics less readily available and more expensive on the streets of the consumer countries. That is good for young people and for everyone else. Continuing the policy of interdiction is a commitment Colombia will maintain with the international community.

[EL TIEMPO] In his remarks, Prosecutor de Greiff noted that repression and the war on drug trafficking are a lost cause.

[Gaviria] Drug traffickers are among the worst criminals known to mankind. They not only enrich themselves at the expense of the victims of drug addiction, but they also represent the most serious threat to Colombian democracy. Our struggle has been, is, and will continue to be aimed at ridding Colombia of this scourge.

Thousands of fellow Colombians have sacrificed their lives in the struggle to defeat criminal drug-trafficking organizations. The sacrifice has not been in vain. If we had not fought as fiercely as we did, this country could very well be under the control of criminals. The Medellin Cartel has practically disappeared. The same must happen with the Cali Cartel, the other cartels, and anyone who persists in criminal activities. I see light at the end of the tunnel. We cannot even think of stopping the struggle at a time when our country is striving greatly to strengthen justice and to overcome impunity.

Our policy against drug trafficking, which is based on interdiction, the strengthening of justice, the exchange of information, and international judicial cooperation, remains unchanged. Legalization is a mere academic discussion that is incomplete and, I repeat, in our opinion does not represent a solution to the problem.

Cited on Venezuelan Relations

PA2711210993 Mexico City NOTIMEX in Spanish 1739 GMT 26 Nov 93

[Text] Santa Fe de Bogota, 26 Nov (NOTIMEX)—Colombian President Cesar Gaviria today denied that relations with Venezuela will be marred by the pre-electoral climate prevailing in the two countries. "I am not going to participate in the debate to defend our position nor to question that of Venezuela," said Gaviria in an interview given to private Caracol RCN radio station to discuss the controversy regarding the mistreatment of Colombians in the neighboring country.

The Colombian and Venezuelan Foreign Ministries in past days engaged in a verbal confrontation in the wake of statements by Antonio Navarro, presidential candidate for the 19 April Movement Democratic Alliance, that the Venezuelan National Guard (GN) has bribed illegal Colombian immigrants.

"We must remain calm," said Gaviria, in noting that he wants to "maintain good relations with Venezuela." The Colombian-Venezuelan economic integration process is considered the strongest in Latin America.

Within the framework of the Group of Three (G-3), which includes Mexico, the two presidents will sign in the next days a free trade agreement, which will be the second largest in the region after the recently signed trilateral North American agreement.

General Pedro Romero Farias, commander of the Venezuelan National Guard, called Colombian political leader Antonio Navarro Wolff a criminal and former guerrilla.

"We cannot allow the pre-electoral atmosphere to mar the relations between the two countries," President Gaviria pointed out. After denying that the human rights of Colombians are violated in Venezuela, the foreign minister of the neighboring nation, Fernando Ochoa Antich, warned that he will reject any diplomatic note on this issue.

Navarro Wolff's charges sparked a huge controversy within Venezuelan political circles, which according to the former guerrilla commander, are using his statements in the electoral campaign that will end on 5 December. Leaders from Caracas harshly criticized the Colombian Government after the death of five members of the Venezuelan National Guard last week during an ambush by Colombian rebels in Apure State.

The Colombian Army has intensified patrols along the Venezuelan border, which stretches 2,219 km, to prevent guerrillas who operate in the region from crossing the

border into the territory of the neighboring country and from ambushing the National Guard, or from committing other crimes.

Government Offers Full Backing to Congress Due to Threats

PA2511181693 Santa Fe de Bogota EL TIEMPO in Spanish 18 Nov 93 p 7A

[Text] The government, Liberal Party leaders, and control organizations headed by the Attorney General's Office have offered full backing to Congress in view of extremists' threats and have asked Congress not to abandon their intent to debate the bill on public order.

President Cesar Gaviria said: "The grit of our democracy will win." He said that he is certain Congress "will not slight what the circumstances demand and instead will fulfill its patriotic duty with an undeclining sense of commitment."

In a speech delivered at the Superior War School, Gaviria said that terror "cannot be a political weapon."

Meanwhile, at the conclusion of a meeting between former President Julio Cesar Turbay Ayala and Liberal Party members from Senate and Chamber of Deputies commissions, the Liberal Party leadership issued a statement citing the bill's "republican" nature as well as its "civic aspects," such as the power it has to grant pardons to rebels and to facilitate dialogues with them and the possibility of aiding terrorism victims.

In the meantime, Senator Luis Guillermo Giraldo, coordinator of the bill's advocates, proposed that seven new articles be included in the initiative to build a framework of support for the peace process.

EL TIEMPO has a full text of the proposal. It calls for involving all public officials in eradicating violence, tasking them with finding an accord, and states that the state and all state employees must respect rights—the essence of peace.

The proposal aims also to categorize "paramilitarism" as a crime and envisages prison terms from two to seven years for individuals promoting it, helping it, or somehow assisting it.

Another proposal objective is that the government assign 10 percent of its regular income to the National Plan of Rehabilitation to guarantee compliance with what is established in the public order law.

The allotment is to be made for 10 years following the bill's approval.

Another Giraldo article states that any development plan submitted for congressional consideration or adoption at either the national or territorial level must consider the country's peace.

The proposal adds: "In making fundamental macroeconomic policy decisions, the national government must consider the impact they will have on the search for and consolidation of peace."

If Congress approves the proponent's requested additions, the integration efforts will be enhanced in recently colonized regions, poor areas, and areas excluded from the dynamics of economic development.

The advocate favors expanding the guarantees' framework for protesters. He suggests the formulation of a disposition by which "the authorities would guarantee the freedom of protests and expression via social movements and protests within the framework of the Constitution and the law."

The advocate also proposes the creation of a commission composed of seven senators and seven representatives that would include all of the political sectors with a bench at Congress so that in monthly meetings it can evaluate the performance of public servants as well as the government in matters concerning what is established in this bill.

The commission meetings would be attended, by voice only, by the people's advocate and the attorney general or his delegate. [sentence as published]

The government is not obligated to heed the commission's recommendations, but it would have to explain the reasons for rejecting them.

One of the new articles foresees the possibility of requesting and passing censure motions on ministers who disregard commission recommendations.

Giraldo said that by doing all this, the bill is aimed at making peace viable, and this is why it is offering "a new olive branch."

Constitutional Court Overturns 5 Antikidnapping Articles

PA2511043693 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 25 Nov 93

[Report by Javier Dario Restrepo from the "24 Hours" newscast]

[Text] The Constitutional Court has declared five articles of the Antikidnapping Law unconstitutional. From now on, the Prosecutor General's Office will not be allowed to impound property belonging to relatives of kidnapped individuals, while banks and financial institutions will no longer be subject to sanctions for granting loans or for giving silent support to activities of people who are close to those kidnapped.

Meanwhile, articles that punish intermediaries in kidnap cases were declared enforceable. Also subject to punishment are national or foreign enterprises that pay ransom. The Antikidnapping Law had been presented in August 1992 with the support of 1 million signatures. Six

months later it became law after a lengthy constitutional debate. The prosecutor general, however, sued as unconstitutional nine articles of this law. The ruling, which was disclosed this afternoon, recognizes as unconstitutional five of the nine articles.

Finance Minister Cited on Desire To Join NAFTA

PA2711154293 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 26 Nov 93

[From "Caracol's 0600 to 0900" newscast]

[Text] Finance Minister Rodolf Hommes has said Colombia hopes to join NAFTA in two or three years. At a meeting with foreign journalists, Minister Hommes said U.S. President Bill Clinton has shown interest in Latin America, which we expect will continue. He added: I am optimistic that in two or three years we will be joining this treaty.

Paraguay

Formal Protest Submitted to Argentina Over Pilcomayo River

PY2511184993 Asuncion HOY in Spanish 25 Nov 93 pp 18-19

[Text] Foreign Minister Diogenes Martinez summoned Argentine Ambassador Raul Carignano to his office to give him a lengthy five-page document in which the government formally protests the Argentine Government's failure to fulfill its promise to solve the Pilcomayo River problem.

In the note addressed to Argentine Foreign Minister Guido Di Tella, Martinez states that the national government, strictly abiding by the memorandum of understanding signed on 14 September, will immediately start the necessary work in the river bed with the purpose of minimizing the consequences of the collapse of the barrier built by Argentine workers in the Pilcomayo canal.

The document summarizes all that has been done since the approval of the so-called "controlled silting" experiment and the steps taken so far.

In the note the foreign minister fires charges against Argentina that go to the extreme of stating that the Argentine work is a racket. The note adds that the works were not started when scheduled and, therefore, when the river rose the barrier had not reached elevation 201 [not further specified] as established in the project submitted to the government. The barrier collapsed when it was 1.5 meters from the height necessary to block the canal. The slopes, which give the barrier stability, were another deficiency noted. Only 50 percent of the necessary slopes were built.

On the third week the Argentine work started having problems, a fact that was brought to the attention of the Argentine National Directorate on 10 November. On several occasions the Paraguayan representatives requested that the project be built using safe methods and proposed some alternatives and even offered their cooperation to supply materials. This offer was turned down by Argentina, which thus became fully responsible for the possible consequences.

The letter to Di Tella states: "In sum, Mr. Minister, as it appears, according to the technical evidence, the work was not started on the stipulated date, it did not meet the required technical characteristics, it did not have adequate technical assistance, has not been concluded, and, finally, when a meeting of the respective commissions was called, the Argentine delegation attended it without the plans and without even being able to make a suggestion for a technical alternative."

From the national government's viewpoint, the failure to complete the Argentine works will not allow the Paraguayan canal to fulfill its purpose, thus placing at risk all the effort made by Paraguayan experts. There is also the large risk that at the end of the high-water season the disproportionate water flow will continue for a period that may last several months due to the difficulties in reaching the site of the problem. Diogenes Martinez said this is a regrettabl situation that by no means contributes to the cordial relationship between our two countries. "I'm sorry to have to express to you our great disappointment over the fact that the government of the Argentine Republic has not been able to fulfill the latest agreements over the Pilcomayo River despite the promises made by high-ranking officials of that country."

U.S. Embassy Receives Bomb Threat; No Bomb Found

PY2611142693 Asuncion NOTICIAS in Spanish 26 Nov 93 p 60

[Text] An anonymous telephone call threatening that a bomb would explode in a few minutes caused a tremendous scare at the U.S. Embassy. It was a false alarm. This much could not be confirmed until after the time the bomb was supposed to have exploded.

At around 0300 [embassy received call at 0325 GMT] on 25 November an anonymous caller said that groups of extremists had prepared a bomb attack against the embassy, located on the corner of Mariscal Lopez and Kubitschek Avenues.

Security jumped into action immediately in order to find the device and the police were informed. However, nothing was found. Nor was there an explosion.

And a Consul...

Brazil's Consul General Luis Bryn also reportedly received a death threat through an automatic telephone

answering machine. It was a male voice, apparently belonging to a young individual, with a Spanish accent.

Deputies Criticize Blockade of Cuba, Praise Health System

PY2611163493 Asuncion ABC COLOR in Spanish 26 Nov 93 p 10

[Text] During a briefing of the Chamber of Deputies about the mission that Paraguayan legislators carried out in Caribbean and Central American countries, Deputy Jose Zarza, president of the Public Health Committee, praised the great human and technological development level achieved by Cuba in the health sector.

Health Committee members signed a letter of intent with the board of the Havana Psychiatric Hospital and the "William Soler" Children's Hospital for the training of Paraguayan students and young doctors in different specialities.

Zarza also referred to the great economic privations the Cuban people are suffering due to the U.S. economic blockade. In this regard, he explained that all the Public Health Committee members disagree with the Paraguayan representative's vote at the OAS in support of the U.S. position calling for the blockade's continuation.

Zarza added: "We believe this is a political mistake that must be corrected on the basis of upholding the principles of self-determination, nonintervention in the domestic affairs of other countries, and because of an elemental sense of solidarity with the Cuban people, who have been burdened and are stoically defending their social achievements with great dignity."

About the visit to Costa Rica, Zarza highlighted its old democratic tradition and its strong political institutions based on an advanced legal structure. During their stay in Costa Rica, the legislators also met the Costa Rican health minister, who gave them a detailed briefing on his country's national health system, which is one of the best in Latin America.

Newspaper Sees 'Plot' Behind Drug Agency Reshuffle

PY2711150393 Asuncion ABC COLOR in Spanish 26 Nov 93 p 2

[Text] According to information obtained on 26 November from sources close to the office of the Armed Forces commander in chief, the National Antinarcotics Secretariat (Senad) was dismantled because it may have discovered that high-ranking individuals within the power structure are involved in the "laundering of drug money" in Paraguay. The available data indicates that this prompted U.S. Ambassador Jon Glassman's inappropriate reaction when he heard about the commander in chief's decisions about retirements and transfers of Armed Forces officers.

According to our military source, the decision of Juan Carlos Wasmosy, president of the nation and Armed Forces commander in chief, to behead the drug enforcement unit may have been part of a clever strategy devised by power groups close to the president that are seriously involved in laundering drug money. The source indicated that it had reliable reports on the patient investigation and control Senad officers were carrying out with U.S. Embassy agents to detect the mechanisms used by certain economically powerful groups to "launder drug money." The source added that these groups are closely linked to high-ranking members of the government and the Armed Forces. These individuals may have used their influence to halt the investigation.

To accomplish this a strategy was developed to transfer Senad officers to different military units for professional military reasons to disguise the "prearranged move."

According to our sources, President Wasmosy reportedly was unaware of the plot or the hidden motives behind the transfers of Senad officials that he ordered in good faith. The sources explained that the plotters took advantage of the fact that Senad's executive secretary, Division General Mario Rodolfo Escobar Anzoategui, had no position within the Armed Forces and had 44 years of service, enough to retire him, knowing very well that it would mean getting him out of Senad. For military reasons they also managed to transfer Staff Colonel Victor Anibal Lopez Gimenez (Senad deputy secretary) to the General Staff to restore his full military status because he had been "commissioned" to Senad. It is always more advantageous for military officers to serve in a military unit than to be commissioned to serve in a component of the executive branch.

Meanwhile, Staff Colonel Eugenio Secundino Morel Garay (head of the Senad interdiction department) was appointed military attache to the Paraguayan Embassy in South Africa. To be appointed military attache at any rank below general is viewed by many officers as a promotion because it looks good on the officer's record.

The information indicates that the breaking up of this group investigating "money laundering" was the main reason for U.S. Ambassador Jon Glassman's anger. Many times the U.S. diplomat had expressed interest in the work of Paraguayan officials to stop the laundering of drug money and, according to our sources, he was cooperating closely with Senad in this endeavor. The men he trusted, however, were unexpectedly removed from the drug enforcement organization, which prompted the ambassador's anger and irritation at the decision of the Armed Forces' commander in chief.

Antinarcotics Chief Explains Departure

PY2711163893 Asuncion ABC COLOR in Spanish 26 Nov 93 p 3

[Text] On 25 November, Division General Mario Rodolfo Escobar Anzoategui, retired, submitted to Juan Carlos Wasmosy, president of the nation and Armed

Forces commander in chief, his irrevocable resignation as National Antinarcotics Secretariat (Senad) secretary, the job he presently holds. The military officer described his performance as head of the drug enforcement organization as acceptable and emphasized that in some 90 days approximately 1,000 metric tons of marijuana and 25 kg of cocaine were burned as part of the struggle against drug trafficking.

Gen. Escobar reported that initially the chief executive did not accept his resignation and asked him to stay on as head of Senad. Since the resignation was irrevocable, Wasmosy was compelled to ask Escobar to stay on until his replacement was appointed.

Gen. Escobar said he did not know who the next head of Senad would be but admitted that it could be some officer who would have the approval of the U.S. Embassy in Paraguay.

Escobar Anzoategui admitted that the U.S. Government usually suggests the names of officers who could take the job of Senad executive secretary because many military officers have attended drug enforcement courses in the United States.

Gen. Escobar denied that his retirement had anything to do with what Senad was doing or that the objective was to remove him from the organization. "I have served the Armed Forces for 44 years and I no longer had an assignment within the Armed Forces, all of which justifies my retirement. We cannot stay on forever because that prevents younger people from being promoted," he said.

Asked about his accomplishments as head of Senad, Gen. Escobar reported that his organization has burned approximately 1,000 metric tons of marijuana at $5,000 per kg and $600,000 worth of cocaine.

He said his performance was acceptable "because one always believes that one could have done better."

Gen. Escobar emphasized that this was the most difficult task in his military career because he had to deal with powerful economic interests that exert their influence from abroad.

Wasmosy Signs Orders Finalizing Personnel Changes in Military

PY2511192993 Asuncion HOY in Spanish 25 Nov 93 p 2

[Text] Commander in Chief of the Armed Forces Juan Carlos Wasmosy has signed General Order 197, making new changes in the military units as part of the general reorganization that began on 19 November.

The following appointments have been made: Colonel Aristides Domingo Ayala as director of the Military Geographic Service, replacing Colonel Jose Luis Alder Ibanez; Colonel Juan Pelagio Grommeck as chief of staff of the Army Engineer Command, replacing Colonel Silvio Hernando Sanchez Ocampos; and Colonel Odalio Palacios Oviedo as chief of staff of the 2d Infantry Division, replacing Colonel Ernesto Ramon Cabrera Llamosas.

Also, Colonel Hector Ramon Galeano Ruiz Diaz as chief of staff of the Communications Command, replacing Colonel Gildo Anazco Antunez; Colonel Calixto Moral Ortega as chief of staff of the 3d Infantry Division, replacing Colonel Mario Vidal Galdona; Colonel Guillermo Reinaldo Samaniego Viccini as commander of the Army Officers Training School, replacing Colonel Arsenio Victoriano Caballero; and Colonel Juan Pablo Sisa Diaz as commander of the Military Reserve Officers Training Center, CIMEFOR, replacing Colonel Hernan Buniak Carrillo.

Changes were also made in the Air Force Quartermaster Directorate, where Colonel Higinio Cesar Enciso replaces Colonel Marcos Aurelio Udrizar. Colonel Juan Antonio Pozzo Moreno will become RI-4 [4th Infantry Regiment] "Curupayty" commander, replacing Colonel Ramon Ferreira Garbini.

Retired General Warns Military Could Provoke 'Disaster'

PY2511211293 Asuncion ULTIMA HORA in Spanish 25 Nov 93 p 7

[Text] General Marino Gonzalez, retired, has asked the national authorities to take "good care" of the Armed Forces, knowing that if members of that institution are annoyed they could provoke "a national disaster." He called for more dialogue between congressmen and the military to guarantee the country's stability. He said he is not upset over his retirement from military activity.

No other state power can jeopardize the country's stability as can the military power, Gen. Marino Gonzalez told this newspaper. In this regard he repeatedly said that the Armed Forces must be taken "good care of," taking into account that if the Armed Forces get mad they can provoke "a national disaster." He called for a broader dialogue between congressmen and the military, because if there is no exchange of ideas "the country's stability could deteriorate." He added that although he has always been respectful of his superiors' decisions, he admitted that no one likes to be removed from an institution where he has served for many years. He argued that the commander in chief must have believed that he had concluded his mission within this institution, and for this reason had asked for his retirement.

He added that the decision to remove him from active service was made to allow the promotion of other, younger generals. He said he did not want to give an opinion on the matter, but said that as a military officer he accepts it.

"Time will tell whether the members of the promotion board were right in their decision. That is, only in the future will we know whether these young generals are better than us," he said.

The retired general said several times during the interview that the Armed Forces must be accorded special care. He added that this is an extremely important power. Besides, the general said that if members of the that institution become annoyed, the consequences could be fateful for the country.

"I want a united Armed Forces so that there will be less rancor and more harmony. But this desire only seeks the good of the country, not the good of the Armed Forces," he added.

He said: "Imagine the danger and the risks the country would run should the Armed Forces be destroyed. Because the other branches do not represent as much of a danger as does the military power. Because the Armed Forces have the weapons. And if for some reason they get mad or are annoyed, they could provoke a national disaster."

In this regard he said that we must "take good care of the Armed Forces." He added that "those who were elected to hold executive and legislative posts must take good care of the Armed Forces, because those with weapons are the most dangerous."

To prevent such extreme measures he suggested "greater dialogue between the military and congressmen."

The absence of this smooth and sincere exchange of ideas "could weaken the country's political and economic stability." He said: "I have learned that to have a good government, four essential sectors must be taken into consideration. They are the political, economic, social, and military sectors. The government that manages to even up all these elements is the best government." He again insisted on his recommendation that the Armed Forces be taken good care of, knowing that if this institution is destroyed everything is destroyed, making it understood that should this happen even the country will be in danger.

Although he said he is in favor of maintaining the affiliation of military officers with political organizations, the general said that what must be forbidden is their participation in political activities.

"Even the parish priest has his political party," the retired general said. He concluded by urging all active members of the military institution, especially the young officers, to remain loyal, and to be hard workers and patriots.

Military Changes Achieve 'Better Distribution' of Generals

PY2611211793 Asuncion ABC COLOR in Spanish 25 Nov 93 p 2

[Text] The changes ordered by the president of the Republic and commander in chief of the Armed Forces, Juan Carlos Wasmosy, in military units commands have been instrumental in achieving a better distribution of generals in the Army's branches.

During General Andres Rodriguez's administration the Cavalry was the preponderant arm, both in the number of generals it had as well as the importance of the posts its officers held. This gave rise to difficulties and annoyance among officers from the other Army branches.

Infantry officers have on numerous occasions denounced the discriminations they have had to endure within the Armed Forces concerning promotions and vacancies in important commands, which nearly always benefited Cavalry generals the most.

On several occasions Infantry officers complained because their corps commanders belonged to the Cavalry, whereas Infantry generals were relegated to less important and administrative posts within the Armed Forces.

They cited the example of Division General Marino Gonzalez, recently retired from active service as commander of the 2d Army Corps, which is comprised solely of Infantry divisions.

They also stated that since its inception, the post of Army commander has always been held by a Cavalry officer. To that effect, they recalled that Generals Humberto Garcete, Pedro Concepcion Ocampos, and at present the controversial Division General Lino Cesar Oviedo, have held that post.

The New Configuration

According to the makeup of the new cadre of generals, 10 belong to the Infantry arm, nine to the Cavalry, three to the Artillery, three to the Engineers, two to the Communications Corps, three to the Air Force, five to the national Navy, and one (1) for each service branch (Quartermaster, Medical Corps, Military Chaplain).

Previously, the cadre of generals had been comprised of 11 Infantry generals, 13 from the Cavalry arm, four from the Artillery, four from the Engineers, two from the Communications Corps, three from the Air Force, four from the National Navy, and one for each service arm.

The new configuration provides that the Infantry arm must have 10 generals. This number may increase if, owing to his seniority, a general happens to hold the post of chief of staff or Army commander. This means that the number of Cavalry generals may automatically continue dropping.

In those branches of the Army that serve in combat support, like the Engineers, the Artillery, and Communications, the number of generals was also rationalized. There are now fewer generals in the Engineers than at the time of General Andres Rodriguez's administration.

Poll Notes Wasmosy Approval Ratings After 100 Days in Office

PY2411233693

[Editorial Report] Asuncion TIEMPO 14 in Spanish on 24 November publishes on pages 14 and 15 a 900-word unattributed article on a poll conducted to assess Paraguayan President Juan Carlos Wasmosy's first 100 days in office. The article notes that the poll was conducted on 2-5 November in Asuncion and the metropolitan area, and that it included 500 people aged 18 and older.

The poll indicates that 47.6 percent of those surveyed describe the first 100 days of government of President Juan Carlos Wasmosy as "good" or "very good," while 36.5 percent consider it "fair." "Those who voted for the ruling Colorado Party in the last elections describe the president's performance as good, while most of those who voted for the opposition term it fair."

The article adds that more than 50 percent of those surveyed termed "bad" Wasmosy's performance in the health and education areas, while 47.2 percent describes his actions at Congress "fair."

The poll further indicates that while 49.4 percent of the people believe that Wasmosy is ruling the country, "23.1 percent believe that Army Commander General Lino Oviedo is in truth governing, while 13.5 percent believe that Colorado Party President Blas N. Riquelme is holding the reins of government."

The article also notes the greater than 50 percent levels of those polled who termed "incorrect" Wasmosy's positions on the governability pact (50.5 percent); the appointment of Oviedo as Army commander (53.4 percent); and the veto of the labor code (62.2 percent).

Peru

CCD Committee Approves 1994 Budget Guidelines

PA2711002993 Lima Global de Television Network in Spanish 0100 GMT 26 Nov 93

[From the "Global TV News" newscast]

[Text] The Democratic Constituent Congress [CCD] Budget Committee today approved guidelines for the 1994 general budget. These guidelines include structural reforms of basic social disbursements for the health and education sectors, as well as the administration of justice. Not less than 30 percent of the National Fund for Social Compensation [Foncoes] will be aimed at the country's neediest areas.

[Begin CCD Budget Committee President Carlos Blanco recording] Not less than 30 percent of Foncoes' available resources are earmarked for the neediest areas, apart from Lima, Callao, and departmental capitals. [end recording]

Another reform proposes that funds for the Glass of Milk program be delivered directly to district governments.

[Begin Blanco recording] The Ministry of Economy and Finance would hand over directly to district governments the money for the Glass of Milk program so these funds can be used more efficiently. [end recording]

CCD Committee Approves Indebtedness, Financing Proposals

PA2711033193 Lima Global de Television Network in Spanish 0100 GMT 26 Nov 93

[From the "Global TV News" newscast]

[Text] The Democratic Constituent Congress' [CCD] Economic Committee has left the way open for the CCD plenum to pass indebtedness and financing proposals, which were finally approved by the committee after several postponements. These sanctions are essential for the approval of next year's general budget.

The indebtedness law covers $2.7 billion, $900 million of which will be used for productive investments. Social sectors will get another $900 million. National defense will receive $200 million and $700 million will be used for the balance of payments.

This law is original in that it grants $100 million to local governments to be used in community works.

[Begin recording] [Unidentified reporter] Will this take place in a year?

[CCD Economic Committee President Reynaldo Roberts] Yes, all of this has to do with the year 1994.

[Reporter] What role does the central government play?

[Roberts] The central government will act as guarantor in case these moneys are borrowed. [end recording]

Nevertheless, the two proposals passed by the Economic Committee will be debated not earlier than next Friday.

CCD President Yoshiyama Visits Tokyo, Meets Prime Minister

PA2711014193 Lima Global de Television Network in Spanish 0100 GMT 26 Nov 93

[From the "Global TV News" newscast]

[Text] Japanese Prime Minister Morihiro Hozokawa has praised President Alberto Fujimori's reforms and described the favorable result of the recent constitutional referendum as a very firm step toward democracy. Hozokawa expressed Japan's firm determination to continue supporting Peru on economic matters and technical cooperation.

At his official residence, the prime minister received Democratic Constituent Congress President Jaime Yoshiyama, who made an official visit to Tokyo at the

invitation of Chamber of Deputies President Takako Doy. Yoshiyama was received by Emperor Akihito also, who expressed both the love he feels for Peru and a desire to visit Peru in the near future.

Armed Forces Empowered To Pursue Drug Traffickers

PA2611173693 Lima Global de Television Network in Spanish 0100 GMT 26 Nov 93

[From the "Global TV News" newscast]

[Text] The Armed Forces were empowered today to pursue individuals linked to drug-trafficking crimes in areas lacking a police presence. The law was published today in the official EL PERUANO newspaper.

It states that in exercising this power granted by Law No. 26247, the Armed Forces military garrisons and detachments in general may pursue and arrest individuals linked to such crimes within areas lacking police stations.

APRA 'Internal Crisis' Continues With New Expulsions

PY2711215293 Lima EL COMERCIO in Spanish 14 Nov 93 p A4

[Text] An end to the internal crisis which is plaguing the American Popular Revolutionary Alliance [APRA] is nowhere in sight.

The announcement of new expulsions by decision of the leaders entrenched in the National Executive Committee has prompted the appearance of factions opposing the way in which APRA leaders are handling the party.

"A Generation on the Move" [Generacion en Marcha]—an opposition faction of APRA youth—has emerged again, this time to call upon people outside the party inner circle to draw up the APRA's political platform.

The agenda is not at all modest: the modernization of the party's structure and political platform by the 21st century.

They are not even afraid of publishing their names: Milciades Ochoa Pachas, Gustavo Sierra Ortiz, Miguel Hurtado Gutierrez, Victor Raul Espinoza, Carlos Calderon Carbajal (a former deputy), and Hernan Garrido-Lecca Montanez.

In turn Carlos Roca has reappeared, with a new post as APRA under secretary general, thus confirming a new list of expulsions. For the time being these expulsions are "anonymous," because the names and surnames of those sanctioned will be announced after the disciplinary procedures are completed.

Nevertheless Roca, a former deputy and a person close to the presidency of the Republic during the past five-year period, said: "There will in any case be expulsions."

A year ago the National Discipline Secretariat announced purges in the party's ranks, including various former ministers of state.

At that time, it was believed that the crisis had been overcome, but... it still goes on.

Habeas Corpus Reinstated in Terrorism Cases

PA2711165493 Paris AFP in Spanish 2326 GMT 25 Nov 93

[Text] Lima, 25 Nov (AFP)—Writs of habeas corpus for terrorism cases, which had been eliminated by the government of President Alberto Fujimori last year, were reinstated in Peru through a law published today in the official newspaper EL PERUANO.

The rule, which modifies a decree issued last year, which toughened antiterrorism provisions to the utmost, stipulates that "writs of habeas corpus are inadmissible when based on actions or grounds that are part of ongoing legal proceedings or involve a case that is already closed."

The habeas corpus for cases of terrorism will become effective on 26 November. The law adds that such writs have to be presented to a criminal judge specializing in terrorism and can be presented by the person affected or his representatives.

It also states that the Attorney General's Office will officially file charges in cases of terrorism and that "those detained will be turned over to a judge who will open the proceedings with an arrest warrant within 24 hours. The necessary security measures will then be adopted."

The law notes that during an arraignment on terrorism charges "there will be no possibility for release, with the exception of an unconditional release," which can be determined by a judge or requested by the accused.

The anti-terrorism laws decreed by the government following President Fujimori's self-imposed coup of April 1992 had banned the release of those accused of terrorism (which is equivalent to treason) until the judicial process had concluded.

It was reported that the new law was recently approved by the Democratic Constituent Congress and promulgated by President Fujimori as part of a series of legal measures to protect the rights of innocent people.

Uruguay

President Lacalle Departs for Official Visit to China

PY2611171193 Madrid EFE in Spanish 0031 GMT 26 Nov 93

[Text] Montevideo, 25 Nov (EFE)—Uruguayan President Luis Alberto Lacalle departed today for the PRC.

Lacalle, who is accompanied by an entourage of 60 businessmen, will pay a five-day official visit to China, which seeks to increase its commercial ties with the international market.

Uruguay and China established diplomatic ties in 1988 and simultaneously signed a commercial agreement that, according to official spokesmen, has experienced some implementation difficulties.

China is the main importer of Uruguayan wool, but one of the trip's main objectives is to diversify Uruguayan exports to China.

The official five-day visit will include visits to the cities of Shangzehen, Guangzhou, Shanghai, and Beijing.

Uruguayan President Lacalle is scheduled to meet Chinese President Jiang Zemin and Premier Minister Li Feng, among other officials.

The Uruguayan delegation is made up of Economy Minister Ignacio de Posadas, presidential secretary Pablo Garcia Pintos, and Foreign Trade Director General Lilian Arbiza, among others.

Lacalle, who is visiting China with his wife, Julia Pou, and Foreign Minister Sergio Abreu Bonilla, will travel next Sunday. [sentence as received]

From January to September, Uruguay exported a total of $55.6 million to China and imported a total of $10.0 million.

Lacalle Calls for More Investments

PY2711155393 Montevideo EL OBSERVADOR ECONOMICO in Spanish 23 Nov 93 p 6

[Text] President Luis Alberto Lacalle on 22 November inaugurated the Third Uruguayan-Spanish Business Meeting, saying that Uruguay was "Mercosur's [Common Market of the South] center, heart, and core." Lacalle added that during his administration the country's "GDP grew 15 percent," stressing Uruguay's conditions to receive investments.

Lacalle said: "The state's role is to open doors, build bridges, create opportunities and then withdraw and let entrepreneurs' dynamism, creativity, confluence, and crossing of interests create dynamic commercial relations."

Lacalle added: "We believe we have fulfilled the part of our public obligation that affects Spain, thanks to governments that found a great affiliation, particularly the Spanish Government's respect for Uruguay. We are living in a period of unparalleled conditions with excellent credit opportunities and international relations. Now you have the last word."

Ibero-America's Hour

Lacalle said: "It is Ibero-America's hour; the world knows and understands it." The president said the region is achieving "economic and democratic stability through legitimate governments, economic openings, consistent foreign policies, a demonstrated capacity for change, and governments that have courageously faced changes, with their particular characteristics in each nation."

The president said: "These conditions have provoked entrepreneurs' renewed interest in our region, which shows fiscal balance, unemployment, investment, and growth rates that not many developed nations in the world can show. We are a land of opportunity once more."

The president added: "Once again we are opening our doors without restrictions of any kind. This is America once again offering opportunities, not certainties or presents, but opportunities to win."

The president said Uruguay is in this region. "Our nation's GDP has grown 15 percent during the 45 months of this administration. Our nation has begun reducing its inflation rate significantly. Inflation dropped to half its past rate and the country maintained unemployment rates at exactly 8.5 percent, with slight variations, in the midst of an important transformation of the labor force. Our nation has opened the doors to domestic and foreign investments without differences, with an independent Judicial Branch and an efficient banking system."

The Core and the Heart

Lacalle said Mercosur's "core, heart, and center is Uruguay. It is the point where this important undertaking is hinged."

Lacalle also mentioned the Uruguay Round of the GATT talks, and the crisis afflicting developing countries, saying: "The only true remedy is to open our doors to commerce. Protectionism is never good, and less so during periods of crisis because it tends to aggravate trends and a bad allocation of resources."

Vice President Denies 'Disagreements' With Lacalle

PY2711172293 Montevideo EL OBSERVADOR ECONOMICO in Spanish 22 Nov 93 p 5

[Text] On 21 November, Vice President Gonzalo Aguirre denied he had any disagreements with the president, pointing out that he agreed with the president "99 percent of the time." Aguirre said: "People are mean when called on to recognize government achievements," adding that he is not willing to become a vice presidential candidate again because "I am not ready to become a repeater," and denied the possibility of renewing the Renewal and Victory alliance with the Herreraist faction.

Aguirre was interviewed on 21 November by Jorge Traverso during the Channel 10 program "Let's Talk." Aguirre said he had an important role in preventing the

approval of Prompt Security Measures by the Executive Branch during last year's police strike.

"The country is doing well," Aguirre said, adding: "I think things are all right and no matter whether our achievements are recognized, this situation is the result of the continuous implementation of a policy that created problems for us because it is not altogether popular anywhere in the world and because people always want more. Their specific situation never seems to be good enough."

Aguirre said: "Some people's complaints are somewhat right, not everything is all right, (...) but people are mean when recognizing government merits."

Asked about his disagreements with the government, Aguirre said: "How can I have disagreements if it is my government? I am the vice president of the Republic. The appointment of the agriculture minister was due to the fact that he belonged to my political group. Other high-ranking officials such as the housing under secretary also were appointed for the same reason. But naturally we always acted in agreement with the government." Aguirre recognized, however, that "there were differences of style in some small but concrete episodes."

Alliance and Candidacy

Regarding the possibility of renewing the alliance between the Herreraist faction and Renewal and Victory, Vazquez said today's circumstances are different from those in 1989.

The vice president added: "Just as Dr. (Enrique) Tarigo said five years ago, I do not like to be a repeater. In 1984 I was a vice presidential candidate with Dr. Alberto Zumaran. In 1989 I was a vice presidential candidate with Dr. Lacalle; I am working at the Republic's vice presidency. Now I would become a vice presidential candidate with another presidential hopeful. It looks like in order to stay at a certain level I would accept becoming just anyone's running mate. I do not think that picture is very accurate."

Asked if he would become a presidential candidate, Aguirre said: "That will be decided by the people. You cannot decide that, with some exceptions. Lacalle worked all his life to become a presidential candidate. He worked on his career with great skill and tireless determination. He spend five years preparing his candidacy. He had luck, and Wilson's [nor further identified] death eliminated his major adversary within the National Party. In most cases, however, hopefuls do not decide on their eventual candidacies. The people and middle level leaders do."

The Police Strike

Aguirre said: Congress would have lifted the government decree establishing the Prompt Security Measures during the police crisis last year. "We would have met sure defeat in Congress."

Aguirre recalled that on that occasion he had to talk with Ministers Hector Gros Espiell, Alvaro Ramos, and Guillermo Garcia Costa, "asking them to attend the Ministers Council meeting to stop its approval, which was what Lacalle later ordered."

Army Commander: Chain of Command 'Absolutely Correct'

PY2711174493 Montevideo LA MANANA in Spanish 20 Nov 93 p 6

[Article by Eduardo Lima Musmano]

[Text] Salto—The Army commander in chief, Lieutenant General Daniel Garcia, was received by President Luis Alberto Lacalle in Suarez Chico, where they discussed the next nominations to several Army posts, and the qualifications for promotions that will take place on 1 February 1994. In a news conference in Salto, Garcia said the chain of command within the Army "is absolutely correct." The Army commander was in Salto on 18 November and today he is visiting Fray Bentos, making an inspection visit to the western border.

Gen. Garcia visited the 3d Infantry Brigade and the 7th Infantry Battalion headquartered in Salto, and among other things he said: "The chain of command in the Army is absolutely correct."

He was accompanied by Gen. Raul Mermot, chief of the 3d Region; Colonel Luis Aguirregaray, chief of the Salto Brigade; Major Wilson Fernandez; and adviser Mario Marenco.

In an extensive talk with reporters from Salto, Garcia stressed the work of the communications media and his interest in maintaining contact with their representatives "so you can ask whatever you want directly to the commander in chief."

The chain of command in the Uruguayan Army "is absolutely correct," he said, but "the institutions are made up of men, who are not machines. Each individual has his own way and there can be some failures, but in a general sense the Army is functioning with no problem or doubt whatsoever, within the framework of the legal system."

Concerning the possibility that some Army sectors could be identified with the Argentine painted faces, Gen. Garcia said: "The possibilities are infinite, but there is a great distance between possibilities and certainties. I would rather be based on certainties. All those problems are being solved in accordance with the state of law so they are being solved very well from that point of view," Garcia said on the differences in military pensions.

When asked about the prosecution of Gen. Paulos because of his remarks, Garcia said: "The prosecution of an individual is part of a given situation within a state of law. It is not something strange."

Concerning his presence at the homage paid to Gen. Esteban Cristi and what was said there, the Army commander said: "Listening does not mean agreement. When one attends a homage to the figure of a general such as Esteban Cristi, personally I think the homage is related to his personality as a soldier, as one who has served the fatherland for so many years, and a man with excellent professional credentials."

He explained, however: "It does not imply that by being present I approve 100 percent of Gen. Cristi's life or actions. One simply recognizes certain virtues found in an individual."

Concerning the situation prompted some time ago by telephone tapping, Garcia said: "I have investigated everything that was said about it, and I am still investigating it. Concerning telephone spying, the investigation is in an advanced stage, and I can say with 90 percent probability that it will be impossible to confirm that such a case existed."

Army Sources Deny Reported Annoyance With Chilean Officers

PY2711135193 Montevideo EL OBSERVADOR ECONOMICO in Spanish 22 Nov 93 p 7

[Text] High-ranking military sources denied to EL OBSERVADOR ECONOMICO the existence of annoyance on the top Army board with Chilean Army officers over the case of Eugenio Berrios, who is missing. Berrios is a former Chilean secret police agent.

The Chilean newspaper LA NACION on 21 November published a report stating that the Uruguayan Army has accused its Chilean counterpart of "having involved it in a problem that has prompted true political turmoil in that country and that strongly affected civilian-military relations."

The sources told EL OBSERVADOR ECONOMICO the report "is a fib and a big fantasy that seeks to divide the two countries' armies."

The Chilean morning newspaper reported that since the disappearance of Berrios from Parque del Plata on 15 November 1992, there has been no sign or trace of him, although this was not learned until June 1993 when Deputy Matilde Rodriguez received an anonymous denunciation.

LA NACION concluded by stating that after ruling out several theories, "given the importance of the information handled by Berrios, he can only be dead," and added that the handwritten letter received in Milan in which he said he was well and asked not to look for him anymore, was "part of a major distraction operation intended to allay fears in Uruguay and reduce the tension of the civilian-military turmoil this case has provoked."

Foreign Minister Stresses Good Environment for Investments

PY2711143893 Montevideo EL OBSERVADOR ECONOMICO in Spanish 23 Nov 93 p 6

[Text] Uruguayan Foreign Minister Sergio Abreu said on 22 November that in Uruguay "there is a climate of renewed confidence for investments and business" and stressed government achievements in the economic area, stating: "They contrast with the negative trends that adversely affected the national economy in the 1980's."

In participating in the Third Spanish-Uruguayan Business Meeting, Partenariat 93, the foreign minister said: "The Uruguayan Government is firmly convinced of the need to strengthen the cooperation and integration channels between our respective business sectors."

Abreu stressed the current administration's main achievements in describing Uruguay as a trustworthy country for investments. He cited "the strengthening of the democratic institutions. With them, we have consolidated a framework suitable for the development of stable policies by creating the appropriate conditions for economic agents and for national and foreign investors, within a context of absolute implementation and respect for the individual's rights and guarantees, as well as legal security."

The foreign minister said: "The economic process, the state's modernization, and the country's productive apparatus are beginning to yield their fruits. Thanks to strict fiscal discipline, we are achieving an important balance in state finances that contributes to controlling inflation and recovering the purchasing power of salaries."

He added: "The growth of internal production and the increase in consumption and investment levels are relevant signs that contrast with the negative trends that adversely affected the national economy during the 1980's. The return of foreign investment groups to Latin America also is having an impact on Uruguay."

He added that the country "is characterized by a liberal and flexible policy concerning incentives and guarantees for foreign investment, placing us among the Latin American countries that provide the most favorable conditions for the establishment of capital in the country."

Madrid Protests Nonextradition of ETA Members

PY2711132593 Madrid EFE in Spanish 1026 GMT 27 Nov 93

[Text] Madrid, 27 Nov (EFE)—Spanish diplomatic sources reported that having to deliver a "strong" written protest to the Uruguayan ambassador in Madrid this week, following the refusal of Uruguayan judges to extradite alleged ETA [Basque Fatherland and Liberty] members, was painful for the Spanish Government given the good diplomatic relations between the two countries.

According to sources quoted by Madrid newspapers on 27 November, the note conveys the Spanish Government's "surprise" over the decision not to extradite Pedro Gomez Lopez, Jesus Maria Lariz, and Miren Agutzane, who were arrested in May 1992 with other alleged supporters of the Basque separatist organization.

This decision could "jeopardize cooperation" between Spain and Uruguay, according to the "strongly worded" note. Spanish diplomatic sources added, however, that the delivery of this note to Ambassador Julio Aznarez was "painful because relations between the two countries are excellent."

The Spanish reaction caught Montevideo by surprise because, according to Uruguayan Government sources, both the note and the lack of confidence in the Uruguayan courts jeopardize the extradition agreement between the two countries.

Broad Front Factions Reach Agreement, Avoid Split

PY2611164393 Montevideo BRECHA in Spanish 19 Nov 93 p 3,4

[Article by Marcelo Pereira]

[Text] The five-point proposal presented by General Liber Seregni produced favorable reactions in all Broad Front Coalition factions by noon on 18 November. The formula had the support of Mayor Tabare Vazquez and Senator Danilo Astori. This is what the proposal established:

1. The National Plenum will meet on 20 November to transfer its present functions and the Political Committee's functions, including the prosecution of programmatic works and alliance policies in order to achieve a majority government—as defined by the Broad Front's Second Congress and as reiterated during the electoral campaign, to a 12-member transition executive committee.

2. The creation of such a transition committee and its composition will be submitted to a plebiscite, with open voting lists, on 12 December.

3. The new leadership will present its government plan and its joint nominations to a Broad Front special congress that will meet during the first half of next year.

4. A working group made up of representatives from all groups with positions on the matter will approve the reorganization scheme and commit itself to defining the problem in a few days.

5. The transition committee will cease to exist after the 1994 national election. Committee functions will be taken over by a new national plenum. Groups' representation will be defined according to the votes obtained by their tickets.

Until then, the Broad Front executive will be made up of four groups of three members each: the group of the 1989 general candidates (Liber Seregni, Danilo Astori, and Tabare Vazquez); the group representing those who on 14 November stopped the reorganization proceedings, characterizing it as "an essential question" (Socialist Party, Artigas Sector, Broad Front Popular Movement, People's Nationalist Movement, and Socialist Movement); the group representing the other political movements; and the group representing grass-roots organizations (made up of two Montevideo representatives and one representative from the country's interior. The nomination of the three will be made by coordinating board and departmental representatives). The consensus rule will be eliminated and decisions will be approved by two-thirds of all members. This majority does not automatically answer to any group and will, therefore, give guarantees to all. [passage omitted]

Broad Front Plenum Accepts Liber Seregni's Proposal

PY2711151993 Montevideo EL OBSERVADOR ECONOMICO in Spanish 22 Nov 93 p 7

[Excerpts] The Broad Front (FA) National Plenum has fully ratified coalition President Liber Seregni's proposals. The coalition then will be led by a 12-member "provisional committee" where neither the moderates nor the radicals have the two-thirds majority required to approve any resolution. The nomination of grass-roots representatives to become committee members will, therefore, become decisive. [passage omitted]

Seregni's proposal to break the deadlock caused by internal infighting will be presented to coalition followers on 12 December within the framework of a "mobilization" that is expected "to also serve as a plebiscite." The rally is sponsored by Tabare Vazquez, who seeks to define a formula regarding real estate tax collections.

Vazquez Will Possibly Become a Candidate

The Montevideo mayor admitted on 19 November that he "will possibly" become the FA candidate for the presidency of the Republic following the commotion unleashed by his proposals.

Vazquez said "an important crisis has been overcome" and Seregni's proposed solution "includes the objectives we were pursuing."

Vazquez said: "Things have changed positively" within the coalition, adding: "We are ready to consider a different type of candidacy."

Asked if he would become the FA candidate, Vazquez first said: "We will discuss that in 1994." When reporters insisted, he acknowledged "he might possibly" become the candidate.

Venezuela

Velasquez Speaks at Democratic Reaffirmation Ceremony

PA2711180393

[Editorial Report] Caracas Venezolana de Television Network in Spanish at 1605 GMT on 23 November broadcasts live a "democratic reaffirmation" ceremony at the Presidential Palace in Caracas. At 1621 GMT, following a 15-minute speech by Isidro Morales, the president of the Supreme Electoral Tribunal, President Ramon Jose Velasquez begins a 20-minute speech. He addresses the people of Venezuela by saying: "On 5 December, we Venezuelans have a rendezvous with history to demonstrate the maturity of our conscience as a modern and democratic nation—a nation working to eliminate a legacy of deceit that characterized long periods of our political life."

He recalls that Venezuela has experienced democracy in only 47 of the century's 93 years. "The 20th century," he continues, "has been one of political peace; major economic and cultural change; and, for the first time since the founding of the Republic, an era in which the majority has come forward to participate in deciding the composition and destiny of the government."

Velasquez points out that the younger generations cannot really evaluate the significance of these changes, because they have lived under democracy. He says: "The true signs of historical progress were the founding of political parties, labor unions, trade unions, and business associations, starting in 1939. Other signs were the political, economic, and cultural changes in Venezuela's various regions as each state gained the right to elect its own governor and each community to elect its own mayor, contrary to the traditional centralist control exercised from the capital, which had dominated our system of government since the beginning of our national history."

Velasquez points to the "enormous differences" between the terror-filled days of past dictatorships and Venezuela's current lifestyle "in which society denounces and punishes abuse, while demanding and even proposing and defining major changes within the current state of political peace." He continues: "Abuse, corruption, and impunity had been the traditional way of government. Coups d'etat, regionalism, nepotism, alliances between guerrillas and racketeers, make-believe elections, and never-ending military dictatorships had been the traditional way of life in Venezuela since the beginning of the Republican era. The new way of life, however, features not only the daily vigilant and corrective action of the media, the congressional investigative commissions, and the Judicial Branch, but also the continuous participation of the general community and, specifically, every single Venezuelan citizen."

Velasquez recalls his inaugural speech, adding: "Venezuela, as most other Latin American countries, is experiencing a crisis that entails many different problems and continuous uncertainty. This crisis is, in part, caused by the social and economic disruption of the foreign debt." He affirms that this disruption "has put the strength of our democracy and its ability to respond with solutions to the test."

Velasquez reaffirms his commitment of 5 June 1993 to guide the country to successful elections. He goes on to say that the political forces that have been growing since 1958 "urgently demand a new national agreement to ensure social and political peace and to set a course for the 21st century." Commenting on the role the political parties must play in this process, he says: "The parties will not disappear under the new order of the Venezuela of the future. Quite the contrary. They are the unreplaceable instruments which democracy must use to steer the country's political course. All they have to do is reduce the exaggerated limits of their traditional influence."

The president continues by calling on all Venezuelans, whether they vote or not, "to make the 5 December election the beginning of an era of national agreement that will guide the way to rational solutions to the problems that currently divide Venezuelans." He adds: "We clearly understand that this election is not a definitive solution to the crisis that has haunted us over the past few years. It is, however, the instrument that freedom offers to the citizens to allow them to do their part in opening the way toward finding those solutions."

In describing his government's contribution to the election, Velasquez says: "Since its inauguration, my administration has believed that its main mission was to guide the nation to the successful completion of this election, to ensure its honesty, and to guarantee the acceptance of the winners and their installation as constitutional rulers. My government has the qualities needed to fulfill its duty as guarantor of the process and as guarantor of universal recognition of the results."

President Velasquez lists the officials who will directly oversee the election at the polling stations and during tallying process, concluding that "there has never been an election in our history with greater guarantees for the honesty of its final results." He goes on to say: "The citizens' monitoring of the process, the activities under the Republic Plan, the interest shown by the political parties and candidates during the debates, and the responsible presence and guidance of the media must generate a national conscience that will ensure the completion of the election in an atmosphere of civic tranquility and national acceptance of the results of the tallying process. If the election process is carried out this way, the results must be and will be respected by all sectors. There can be no acceptable argument to question the victory of the winners, given the honesty of the final decision, when guaranteed as I have described. It is the

undeniable duty of a democratic Venezuela, it is Venezuela's duty, and it is my government's obligation to abide by the final results."

Velasquez concludes his speech by saying: "A Venezuela that works, creates, suffers, struggles, and reaffirms its wish for liberty must come forth to cast its vote at the polls on 5 December."

Comments on Ceremony

PA2611143593 Caracas Venezolana de Television Network in Spanish 2350 GMT 24 Nov 93

[Report by Cecilia Pachano; from "The News" newscast]

[Text] President Ramon Jose Velasquez said that the democratic reaffirmation meeting celebrated yesterday at Miraflores Palace, with the participation of all the leading groups in the country, indicates that the Venezuelan people unanimously believe in the future.

[Begin Velasquez recording] If the elections represent a start toward resolving the crisis and if respect represents the result.... [pauses] The meeting and characteristics of the reaction to the summons indicate that Venezuelans unanimously believe in the future. [end recording]

The president made these statements following the brilliant lecture he gave to officers attending the Higher Naval War College. The head of state said that Colombia and Venezuela have established important economic, political, and cultural ties and that the relations between the two countries are representative of the most shining examples.

Ochoa Comments on Disputes With Colombia

PA2711135693 Caracas EL GLOBO in Spanish 23 Nov 93 p 5

[Report by Enelcys Rodriguez]

[Text] The Venezuelan Government has emphatically stated that the incidents that occurred along the border of Apure state were planned in Colombian territory, and, in compliance with its obligations as a state, Colombia must work to prevent such incidents from taking place.

This statement was made by Foreign Relations Minister Fernando Ochoa Antich during a meeting with members of the media. He also indicated that Venezuela has not yet received any reply from the Colombian Foreign Ministry concerning the protest note sent this past weekend. Venezuela's protest note expressed concern over the border incidents in which irregular groups entering from Colombian territory attacked a National Police convoy and an Army convoy, leaving five Venezuelan soldiers dead.

Following claims that the border area is exposed and unprotected, the head of the Foreign Ministry denied the region is vulnerable because the Venezuelan Army is spread too thin throughout the area. According to the minister, what is really taking place is that attacks are being organized in Colombian territory, and, with the element of surprise, armed groups enter Venezuelan territory to perpetrate attacks which in many cases cause unfortunate casualties to the nation's Armed Forces. In some cases, the Venezuelan Armed Forces have been successful in repelling the attacks.

According to the foreign minister, the most significant aspect of this issue is that Colombia is responsible for preventing these incidents from being organized within its territory: "It is Colombia's obligation as a state to ensure that its territory will not be used to plan actions such as those that have been taking place against the Venezuelan Armed Forces."

Ochoa Antich also said Venezuela will not accept protest notes from any Colombian presidential candidate who refers to our country or its institutions disrespectfully.

The first thing diplomatic protocol demands is mutual respect. In this respect, Colombian AD/M-19 [19 April Movement Democratic Alliance] candidate Antonio Navarro Wolff has not shown any sign of respect or consideration toward Venezuela. This prompted Ochoa Antich to say he will not accept any diplomatic note "from that gentleman who has publicly insulted the country."

The foreign minister also said that, in Colombia, human rights issues are being dealt with erroneously. When the Colombians discuss the issue, they say Colombians are being harmed, when in reality it is the Venezuelans who must endure the more than 1.5 million Colombians who overload our public system and create problems in the country.

Ochoa Antich said: "It is not possible that, in addition to the fact that we are experiencing a significant Colombian presence, now the human rights issue in Venezuela is being used as a political banner. It is untrue that we are mistreating Colombian felons. We treat them the same as we treat Venezuelan felons. We have never mistreated any Colombian in Venezuela. We also should point out there are 2,080 Colombian felons, which means that the presence of those Colombian convicts complicates security and other issues which in turn aggravates the situation for us a nation. This we must say quite clearly."

No Protest Note on Navarro

PA2711015793 Caracas Venezolana de Television Network in Spanish 2350 GMT 24 Nov 93

[From "The News" newscast]

[Text] Venezuelan Foreign Minister Fernando Ochoa Antich said today there will definitely be no protest note to the Colombian Government for the statements made by presidential candidate Antonio Navarro Wolff.

The National Guard General Command, headed by General Pedro Jose Romero Farias requested the diplomatic note given the statements made by the Colombian

presidential candidate. His statements are considered disrespectful toward the National Guard members who protect the border zone.

Velasquez Calls for End to Student Violence

PA2811042193 Caracas EL UNIVERSAL in Spanish 26 Nov 93, p I-14

[Text] President Ramon J. Velasquez urged the Venezuelan students not to fall for provocations from groups that intend to disrupt public order, saying that his long experience allows him to assure that street violence does not produce revolutions and added that changes are achieved by voting.

After closing the ceremony held yesterday at the Casa de Bello to commemorate the Day of the Writer, the president made brief statements and explained that the decision to suspend classes in the country is due to his government's interest in holding the 5 December elections in peace.

"We are bent on getting Venezuelans of all tendencies, ideologies, and organizations to vote because we believe this is the beginning of the solution to many problems; because that voting will yield a new national scenario, a new president, and a new parliament. I have asked before, and I continue to ask for this: That government must summon the whole country to a national agreement [meeting], at which the political, military, social, and very serious fiscal problems must be solved at a round table."

He warned that the next government—due to the immensity of the problems plaguing the country—in addition to the support of the parliamentarians, must also have broad national support.

Copei President on U.S. 'Meddling' in Elections

PA2711152893 Caracas Venezolana de Television Network in Spanish 2350 GMT 26 Nov 93

[From "The News" newscast]

[Text] Christian Democratic Party [Copei] President Hilarion Cardozo has said U.S. intervention is not necessary in the 5 December elections because Venezuela has the capacity to decide its own fate without foreign meddling. Noting that concern has arisen over reports that the U.S. Government has intensified support for Radical Cause candidate Andres Velasquez, Cardozo said the situation has been overly publicized. He said the United States, in its paternalistic role, has attempted to learn more about the Radical Cause candidate's political leanings, but he added that it has not given Velasquez absolute support, as we are being led to believe. Here is what Cardozo said:

[Being Cardozo recording] Venezuela's democratic stability cannot depend on whether or not the United States enforces a blockade. Venezuela's democratic stability depends on the Venezuelan Armed Forces' democratic consciousness and on the Venezuelan people. Up until now, we have never needed U.S. meddling to resolve any of our problems. U.S. meddling in the Marcos Perez Jimenez dictatorship was not positive. Besides, U.S. meddling in Latin America in alleged defense of democracy has never proven to be beneficial. We do not want this at all. We want the United States to let us resolve our own problems. We have the capacity to do this and to uphold our democracy. [end recording]

In conclusion, Hilarion Cardozo dismissed the latest poll in which Andres Velasquez came in second, dislodging Copei presidential hopeful Oswaldo Alvarez Paz. Cardozo explained that this could have occurred after Pablo Medina's dispute at Miraflores Palace, which turned public opinion in favor of Velasquez's candidacy and in favor of Radical Cause.

Presidential Candidates Wrap Up Election Campaign

PA2711171393 Caracas Venezolana de Television Network in Spanish 1550 GMT 25 Nov 93

[Text] The presidential candidates are wrapping up their election campaigns.

For his part, National Convergence candidate Rafael Caldera announced that the situation of essential state enterprises requires national or foreign private investments. This is the case of the aluminum sector, he said.

Dr. Caldera concluded his campaign in Guayana with a rally on Narino Street in San Felix, Bolivar State—an iron mining area. There, he was greeted by followers and the people of Guayana. He reiterated his platform, highlighting his program with quotes from the speech he delivered at Congress during the difficult times that resulted from the 4 February events.

Caldera noted that if elected, he will pull Venezuela out of stagnation and put the country in a place of honor. Next week, Caldera will close his campaign in the cities of Barquisimeto, Valencia, Valera, and Maracaibo.

Meanwhile, Democratic Action [AD] candidate Claudio Fermin, in closing his election campaign in Cojedes State, said he plans to give this state all the support it needs to become a development center for the country's central region.

Fermin closed his campaign with a walk through the streets of San Carlos, which culminated with a rally at which the AD candidate said he will steer the budget toward health and education services, as well as security, sports, and culture. Fermin also promised to open doors to investment to encourage industries to settle in Cojedes and, in turn, to create jobs.

[Begin Fermin recording] I am aware of my responsibilities coming here as the AD presidential candidate. This is a very satisfactory feeling. The people who support AD have spontaneously taken to the streets, and nobody can stop them. [end recording]

Meanwhile, Social Christian Party candidate Oswaldo Alvarez Paz said that, if elected, he will give special treatment to basic education, which is what really guarantees the education of the Venezuelans of the future. He noted that right now most of the education budget goes toward higher education, to the detriment of basic education, whose quality has deteriorated.

Alvarez Paz said this during a speech to the Venezuelan-American Chamber of Commerce and Industry. Alvarez Paz also explained other important points of his government program. He promised that the 5 December elections will display the Venezuelan people's commitment to democracy.

[Begin Paz recording] I think our people have become mature enough to strongly reject any deviation from democracy that may occur. Let us look at things with a positive approach. [end recording]

Legality of Andres Velasquez Candidacy Disputed

PA2511131093 Caracas Venezolana de Television Network in Spanish 2350 GMT 24 Nov 93

[Report by Jose Marcano; from "The News" newscast]

[Text] According to Pedro Miguel Reyes, Judiciary Council president, the Supreme Court of Justice [CSJ] should review and issue a decision regarding a petition charging the presumed illegality of Andres Velasquez' candidacy. Reyes added that the CSJ should take as much time as necessary to reach a decision. Here is Jose Marcano with a report:

[Begin recording] [Marcano] The Supreme Electoral Council [CSE] has accepted Andres Velasquez' nomination even though he did not present his resignation as Bolivar State governor, because then the new basic voting law had not entered into effect. Now a petition requesting the annulment of Velasquez' nomination has been filed at the CSJ. According to CSE President Isidro Morales Paul, this case does not come under the CSE's jurisdiction, rather under the CSJ.

According to Reyes, this is a very delicate case, but he believes the court's political-administrative chamber will make an appropriate decision.

[Reyes] The CSJ is reviewing the case. In addition to being a jurisdictional organization, the CSJ is a wise organization that all Venezuelans must trust. The CSJ will neither distort the nation's will nor create an institutional crisis due to a case of this nature. [end recording]

In any case, Reyes said that the CSJ will respect the voters' will.

Poll Shows Caldera Leads Other Candidates

PA2711232593 Hamburg DPA in Spanish 1501 GMT 26 Nov 93

[Text] Caracas, 26 Nov (DPA)—A Caracas daily reported today that with the presidential elections only eight days away, polls continue to show former President Rafael Caldera leading his closest rival by a 12 percent margin.

According to EL NACIONAL, Caldera, 77, still heads the preelection polls with a 32 percent preference at the national level. He is followed by labor leader Andres Velasquez, of Radical Cause, with 20 percent of the votes, a percentage that represents a significant popularity improvement in recent weeks. The elections will take place on 5 December.

Caldera, a founder of the Social Christian Party [Copei] from which he was "excluded" for this campaign, right now has the backing of socialists, independent voters, and dissident Christian Democracy Party people.

Oswaldo Alvarez Paz, the official candidate of the Social Christian Party, has dropped to third place with 18 percent of the preferences. At the bottom is Claudio Fermin, the Democratic Action [AD] candidate, with 11 percent.

According to experts, if this trend continues, there will be a veritable electoral "disaster," because it would mean that Caldera, who has maintained a "neoliberal anti-package," could win and because the rise of Velasquez and his pro-labor organization also means a severe setback for the traditionally strong parties of Venezuela's democracy: AD and Copei.

If the voting goes as the polls show, AD will suffer the most serious election defeat in its 50 years of political life.

Meanwhile, the accusations that political parties had been making against each other on eventual election fraud subsided following a marathon meeting between national leaders convoked as an "action of democratic reaffirmation," by President Ramon J. Velasquez. Experts have discarded the possibility of a new coup d' etat, a rumble that had gained force in view of the atmosphere of uncertainty that prevails in the country.

Simultaneously with the campaign, there is in Venezuela a bitter polemic between the Defense Ministry and Radical Cause Congressman Pablo Medina because of Medina's alleged link to the 4 February 1992 coup attempt against then President Carlos Andres Perez. Medina currently faces a military trial because he was reportedly found in possession of weapons taken from a military center, on that date, by Lieutenant Alvarez Bracamonte. The issue at this point is the possibility of defying the parliamentary immunity of the legislator.

According to Radical Cause, the military measure against Medina has electoral purposes, it is aimed at

discrediting him in the eyes of the people a few days before election day, at a time when there has been evidence that his popularity among voters has increased.

World Bank Grants Loan for Education

PA2711033593 Caracas Venezolana de Television Network in Spanish 1550 GMT 24 Nov 93

[From "The News" newscast]

[Text] The World Bank is providing financial support to education in Venezuela with a $178 million loan to improve the quality of basic education. This financial organization plans to improve administrative efficiency and support the decentralization process in the education sector. The project will also help the Gran Mariscal de Ayacucho Foundation expand the loan program for higher level students.

Roundup of Economic Developments Through 23 Nov

PA2411160193

[Editorial Report] The following is a compilation of reports on Venezuelan economic developments monitored by Panama Bureau through 23 November; source follows in parentheses after each item.

Corpoven [Venezuelan Petroleum Corporation] has recently signed operational services agreements with the Japanese firm Teikoku Oil Corporation, Ltd, aimed at reactivating crude oil fields in Anzoategui and Guarico States. It is estimated that at least 12,000 barrels of light and medium crude will be obtained daily by 1998.

With the conclusion of the latest round of public contract bids, the national petroleum industry's oil fields reactivation program continues to take place positively at Corpoven. This phase consolidates the participation of private national and foreign capital in encouraging additional production potential.

The program guarantees benefits for the communities included within the regions where operation is expected to take place and creates employment opportunities. (Caracas Venezolana de Television Network in Spanish 1550 GMT 19 Nov 93)

During 1992 Venezuela exported approximately $448 million in goods to Japan and in turn imported $883 million. The main products imported to Venezuela include automobiles, machineries, chemical and textile products; on the other hand, the main Venezualan products exported to Japan include cacao, sesame seed oil, fish, leather, iron and steel products, oil, crude oil by-products, and aluminum, among others. (Caracas EL GLOBO in Spanish 19 Nov 93 p 6)

The Council of Ministers has approved a draft law setting new standards for savings and loans banks and associations. In a written announcement, the council highlighted the bill's main points. The organizations will be allowed to diversify their activities; they must promote home construction loans, loans for cooperative organizations, artisans, professional groups, and small businesses. The council stated that these financial organizations will have a significant impact on the Venezuelan economy as of 1 January 1994. (Caracas Venezolana de Television Network in Spanish 2350 GMT 16 Nov 93)

Lagoven, a subsidiary of Venezuelan Petroleum, Petroven, has announced an increase in light crude oil production levels, thanks to a recently installed trial automation system. Lagoven officials have reported that a pilot plan using an automated natural gas-pumping system to extract oil has produced 22 barrels more per day per well in a trial area of Maracaibo Lake, which included 654 wells; officials expect this to have a significant effect on Lagoven's overall production levels. (Caracas EL NACIONAL in Spanish 18 Nov 93, p E-17)

Lagoven and Maraven, Petroven subsidiaries, have signed agreements with several multinational corporations to reactivate several inactive oil fields. Shell Oil of Great Britain, Total of France, and the U.S. Maxus Consortium will share Lagoven's Jusepin, Urdaneta Oeste, and Quiriquire field, with an estimated total of 549,000 barrels to be pumped. Maraven will transfer extraction rights to the U.S. Occidental Oil Corporation. The fields included in this contract are located in Zulia and Falcon and are believed to hold about 439,000 barrels of oil, which these companies are expected to invest about $450 million to extract. (Caracas EL DIARIO DE CARACAS in Spanish 19 Nov 93, p 20)

Guyana

Joint Commission With India Concludes Meeting

FL2711191193 Bridgetown CANA in English 1835 GMT 27 Nov 93

[Report by Colin King]

[Text] Georgetown, Guyana, 27 Nov, CANA—India has offered a 100 million rupee (just over us 3 million dollars) line of credit to Guyana, and committed itself to assisting in hydro-electric and other projects here, Indian officials said.

The two countries will also set up a joint business council to increase currently "negligible" levels of trade and promote investment, according to the communique from a Guyana-India Joint Commission meeting which ended here Friday.

Junior external relations minister of India, Salman Khurshidn and foreign minister of Guyana, Clement Rohee, led the respective delegations to the two-day meeting of the commission which previously met in 1989.

The hydro-power proposal, for which the Indian Government is committed to funding "project studies"

under its Indian Technical and Economic Cooperation (ITEC) Programme, is for the Tiger Hill, Demerera River area, 100 miles from here.

India also agreed to a Guyana proposal that the Asian state assist a programme, floated in recent months, for the bridging of the Berbice River in eastern Guyana.

Other proposals include Indian assistance for the eetablishment of small industrial estates in Guyana, setting up of a children's health care project by India in collaboration with Guyanese voluntary organisations.

The ministers said a visit to India in late December by Guyana's president, Dr. Cheddi Jagan, as part of a four-nation Asian sweep, will be used to advance several items covered in the just-concluded session.

"We see this visit (to Guyana) as a precursor of greater things to come between our two countries in the near future," Khurshid told reporters. "We are very committed to a relationship which is based not only on historical links .... But beyond that we want to think in terms of a growing commercial links between our two countries."

Guyana, whose largest single ethnic grouping is descended from 19th century indentured workers from India, has enjoyed robust growth of up to seven per cent in GDP in the past two years. "We want to participate in that growth," said the minister.

Khurshid, leaving here Saturday for a visit to Cuba, said India is putting greater emphasis on economic relations with the countries of Africa, Latin America and the Caribbean.

Foreign Minister Rohee said Guyana needed to look beyond the Caribbean Community (Caricom) at what is happening in fast growing areas like Asia, singling out China, Malaysia, Singapore and India—the countries to be visited by President Jagan beginning early December.

"India is a major power in Asia ... And is likely to emerge as a major economic power in the not too distant future," said Rohee.

"We in Guyana consider it (in our inteest) to be part of that dynamic activity taking place in that part of the world," the Guyana foreign minister said.

Manufacturers Group Protests Commission's Lack of Democracy

FL2511173893 Bridgetown CANA in English 1528 GMT 25 Nov 93

[Text] Gorgetown, Guyana, 25 Nov, CANA—The Guyana Manufacturers Association is pulling out of the Private Sector Commission.

"In accordance with Article 6 of the Memorandum and Articles of Association of the Private Sector Commission of Guyana, the Guyana Manufacturers Association hereby gives one month's notice of its intention to withdraw from membership of the Private Sector Commission of Guyana," a statement released by the GMA said.

Signed by GMA President Kim Kissoon, the statement said the PSC's structure and mode of operation did not "lend itself to democratic consultancy."

The commission's chairman, Yesu Persaud, declined to comment.

The GMA said several of its executive and ordinary members were "shocked" to learn of several PSC meetings with President Cheddi Jagan, cabinet ministers, international aid agencies and diplomatic missions.

These, the GMA said, were never discussed at the executive level of the PSC.

The PSC is the umbrella organisation for the majority of the country's private sector organisations.

It comprises the GMA, the Georgetown and Berbice Chambers of Commerce, the Consultative Association of Guyanese Industry (CAGI) and the Forest Products Association (FPA).